

(Audio archived recordings of the committee meetings, corresponding to the date of the committee statement, *may possibly* be found at www.njleg.state.nj.us)

(continued)

FLOOR AMENDMENT STATEMENT:

No

LEGISLATIVE FISCAL ESTIMATE:

Yes 10/24/2018

VETO MESSAGE:

Yes (conditional)

GOVERNOR'S PRESS RELEASE ON SIGNING:

Yes

FOLLOWING WERE PRINTED:

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REPORTS:

No

HEARINGS:

No

NEWSPAPER ARTICLES:

No

RWH/CL

P.L. 2019, CHAPTER 125, *approved June 17, 2019*
Senate Committee Substitute (*First Reprint*) for
Senate, Nos. 393 and 973

1 AN ACT establishing the Talent Network Program in the
2 Department of Labor and Workforce Development and
3 supplementing and amending P.L.1992, c.43 (C.34:15D-1 et
4 seq.).
5

6 **BE IT ENACTED** by the Senate and General Assembly of the State
7 of New Jersey:
8

- 9 1. (New section) The Legislature finds and declares that:
10 a. To maintain a competitive edge in the 21st century, New
11 Jersey must develop a highly productive workforce that has the
12 knowledge, skills, and abilities needed by employers in the State's
13 key industries;
14 b. Workforce development and education programs that are
15 directly aligned with the needs of employers will ensure that more
16 New Jersey residents have pathways to economic opportunity and
17 successful careers, and that employers receive the talent required to
18 drive the growth of their businesses;
19 c. To cultivate such employer-driven partnerships, the
20 Department of Labor and Workforce Development has supported
21 the development of talent networks since 2011;
22 d. The department currently funds nine talent networks of
23 employers, educational institutions, and workforce development
24 organizations in industries including advanced manufacturing;
25 construction & utilities; financial services; food industry; health
26 care; life sciences; technology; transportation, logistics, and
27 distribution; and retail, hospitality, and tourism; and
28 e. The establishment of a Talent Network Program will create a
29 permanent plan within the department to strengthen and enhance
30 these and future partnerships in meeting the workforce needs of the
31 State.
32

- 33 2. (New section) a. There is established in the Department of
34 Labor and Workforce Development the Talent Network Program. The
35 purpose of this program is to develop centralized sources of
36 intelligence about the workforce needs of the State's key industries by
37 building employer-driven partnerships between employers, educational

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:

¹Senate amendments adopted in accordance with Governor's recommendations January 31, 2019.

1 institutions, and other organizations concerned with workforce
2 development.

3 b. To fulfill the goal of the Talent Network Program, the
4 department shall annually award ¹【a minimum of \$2.0 million in】¹
5 grant funds to nonprofit organizations, industry associations and post-
6 secondary educational institutions, who demonstrate knowledge and
7 expertise in one of the State's key industries. The department may
8 continue grant agreements with talent networks which were awarded
9 prior to the enactment of P.L. , c. (C.) (pending before the
10 Legislature as this bill).

11 c. Each nonprofit organization, industry association and post-
12 secondary educational institution awarded grant funds through the
13 Talent Network Program pursuant to subsection b. of this section shall:

14 (1) engage and convene employers located throughout the State to
15 identify common skill gaps and workforce needs within the targeted
16 industry;

17 (2) engage and convene key education and workforce providers
18 located throughout the State to identify the capacity of local partners to
19 meet industry workforce needs;

20 (3) form partnerships that are employer-driven and that include at
21 least three key education and workforce providers;

22 (4) create a strategy for building and sustaining such partnerships
23 through commitments from employers, workforce organizations,
24 educational institutions, training providers, community and faith-based
25 organizations, and other key stakeholders;

26 (5) facilitate the development of a workforce plan to respond to
27 identified workforce needs and opportunities;

28 (6) host an annual industry summit to gather intelligence and
29 inform key workforce stakeholders of essential employer needs;

30 (7) contribute to the department's development of an industry-
31 valued credential and degree list and career awareness materials;

32 (8) maintain a website and a presence on social media to
33 disseminate industry intelligence and labor market information to job
34 seekers, students, employers, and education and workforce
35 stakeholders;

36 (9) report annually to the department and the Legislature the status
37 of the industry's workforce needs; and

38 (10) perform any other duties as required by the Commissioner of
39 Labor and Workforce Development.

40 d. Notwithstanding any law to the contrary, the Talent Network
41 Program shall be funded through federal job training funds, as defined
42 in section 4 of P.L.1989, c.293 (C.34:15C-1). The department is
43 authorized to use any additional funds necessary to fulfill the
44 provisions of this section, as determined by the commissioner, from
45 the Workforce Development Partnership Fund moneys reserved for the
46 Talent Network Program pursuant to section 9 of P.L.1992, c.43
47 (C.34:15D-9).

1 3. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read
2 as follows:

3 9. a. A restricted, nonlapsing, revolving Workforce
4 Development Partnership Fund, to be managed and invested by the
5 State Treasurer, is hereby established to: provide employment and
6 training services to qualified displaced, disadvantaged and
7 employed workers by means of training grants or customized
8 training services; provide for the other costs indicated in subsection
9 a. of section 4 of P.L.1992, c.43 (C.34:15D-4); provide for the New
10 Jersey Innovation and Research Fellowship Program as provided for
11 in section 3 of P.L.2015, c.235 (C.34:15D-26); provide for the
12 Talent Network Program as provided for in section 2 of
13 P.L. , c. (C.) (pending before the Legislature as this bill);
14 and facilitate the provision of education and training to youth by
15 means of grants provided by the Youth Transitions to Work
16 Partnership pursuant to the provisions of P.L.1993, c.268
17 (C.34:15E-1 et al.). All appropriations to the fund, all interest
18 accumulated on balances in the fund and all cash received for the
19 fund from any other source shall be used solely for the purposes
20 specifically delineated by this act.

21 b. During any fiscal year beginning after June 30, 2001, of the
22 total revenues dedicated to the program during any one fiscal year:
23 25% shall be deposited in an account of the Workforce
24 Development Partnership Fund reserved to provide employment and
25 training services for qualified displaced workers; 6% shall be
26 deposited in an account of the Workforce Development Partnership
27 Fund reserved to provide employment and training services for
28 qualified disadvantaged workers; **42%** 37% shall be deposited in
29 an account of the Workforce Development Partnership Fund
30 reserved for and appropriated to the Office of Customized Training;
31 5% shall be deposited in an account of the Workforce Development
32 Partnership Fund reserved for and appropriated to the Talent
33 Network Program established pursuant to section 2 of
34 P.L. , c. (C.) (pending before the Legislature as this bill);
35 3% shall be deposited in an account of the Workforce Development
36 Partnership Fund reserved for occupational safety and health
37 training; 5% shall be deposited in an account of the Workforce
38 Development Partnership Fund reserved for the Youth Transitions
39 to Work Partnership created pursuant to P.L.1993, c.268 (C.34:15E-
40 1 et seq.); 3% shall be deposited in an account of the Workforce
41 Development Partnership Fund reserved for the New Jersey
42 Innovation and Research Fellowship Program established pursuant
43 to section 3 of P.L.2015, c.235 (C.34:15D-26); 10% shall be
44 deposited in an account of the Workforce Development Partnership
45 Fund reserved for administrative costs as defined in section 3 of
46 P.L.1992, c.43 (C.34:15D-3); 0.5% shall be deposited in an account
47 of the Workforce Development Partnership Fund reserved for the

1 State Employment and Training Commission to design criteria and
2 conduct an annual evaluation of the program; and 5.5% shall be
3 deposited in an account of the Workforce Development Partnership
4 Fund to be used, at the discretion of the commissioner, for any of
5 the purposes indicated in subsection a. of section 4 of P.L.1992,
6 c.43 (C.34:15D-4).

7 c. Beginning January 1, 1995, through June 30, 2002, the
8 balance in the fund as of the previous December 31, as determined
9 in accordance with generally accepted accounting principles, shall
10 not exceed 1.5 times the amount of contributions deposited for the
11 calendar year then ended. If the balance exceeds this amount, the
12 excess shall be deposited into the unemployment compensation
13 fund within seven business days of the date that the determination is
14 made.

15 d. Beginning July 1, 2002, and for any subsequent fiscal year,
16 if the unexpended cash balance in any of the accounts indicated in
17 subsection b. of this section, except for the account reserved for the
18 Talent Network Program, less any amount awarded in grants but not
19 yet disbursed from the account, is determined to exceed 20% of the
20 amount of contributions collected for deposit in the account
21 pursuant to this subsection during the fiscal year then ended, the
22 excess shall be regarded as an unemployment compensation
23 contribution and deposited into the unemployment compensation
24 fund within seven business days of the date that the determination is
25 made. If the unexpended cash balance in the account reserved for
26 the Talent Network Program, less any amount awarded in grants but
27 not yet disbursed from the account, is determined to exceed 20% of
28 the amount of contributions collected for deposit in the account
29 pursuant to this subsection during the fiscal year then ended, the
30 excess shall be deposited into the Workforce Development
31 Partnership Fund account reserved for the Office of Customized
32 Training.

33 (cf: P.L.2015, c.235, s.2)

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35 4. This act shall take effect immediately.

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Establishes Talent Network Program in DOLWD.

SENATE, No. 393

STATE OF NEW JERSEY
218th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2018 SESSION

Sponsored by:

Senator FRED H. MADDEN, JR.

District 4 (Camden and Gloucester)

SYNOPSIS

Establishes Talent Network Program in DOLWD.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



1 AN ACT establishing the Talent Network Program in the
2 Department of Labor and Workforce Development and
3 supplementing P.L.1992, c.43 (C.34:15D-1 et seq.).
4

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

7
8 1. The Legislature finds and declares that:

9 a. To maintain a competitive edge in the 21st century, New
10 Jersey must develop a highly productive workforce that has the
11 knowledge, skills, and abilities needed by employers in the State's
12 key industries;

13 b. Workforce development and education programs that are
14 directly aligned with the needs of employers will ensure that more
15 New Jersey residents have pathways to economic opportunity and
16 successful careers, and that employers receive the talent required to
17 drive the growth of their businesses;

18 c. To cultivate such employer-driven partnerships, the
19 Department of Labor and Workforce Development has supported
20 the development of talent networks since 2012;

21 d. The department currently funds seven talent networks of
22 employers, educational institutions, and workforce development
23 organizations in industries including advanced manufacturing;
24 financial services; health care; life sciences; technology and
25 entrepreneurship; transportation, logistics, and distribution; and
26 retail, hospitality, and tourism; and

27 e. The establishment of a Talent Network Program will create a
28 permanent plan within the department to strengthen and enhance
29 these and future partnerships in meeting the workforce needs of the
30 State.

31

32 2. a. There is established in the Department of Labor and
33 Workforce Development the Talent Network Program. The purpose
34 of this program is to develop centralized sources of intelligence
35 about the workforce needs of the State's key industries by building
36 employer-driven partnerships between employers, educational
37 institutions, and other organizations concerned with workforce
38 development.

39 b. To fulfill the goal of the Talent Network Program, the
40 department shall annually award grant funds to consortia of
41 employers, educational institutions, and other organizations
42 concerned with workforce development, who demonstrate
43 knowledge and expertise in one of the State's key industries. The
44 department may continue grant agreements with talent networks which
45 were awarded prior to the enactment of P.L. , c. (C.)
46 (pending before the Legislature as this bill).

47 c. Each consortium awarded grant funds through the Talent
48 Network Program pursuant to subsection b. of this section shall:

- 1 (1) engage and convene employers located throughout the State
- 2 to identify common skill gaps and workforce needs within the
- 3 targeted industry;
- 4 (2) engage and convene key education and workforce providers
- 5 located throughout the State to identify the capacity of local
- 6 partners to meet industry workforce needs;
- 7 (3) form partnerships that are employer-driven and that include
- 8 at least three key education and workforce providers;
- 9 (4) create a strategy for building and sustaining such
- 10 partnerships through commitments from employers, workforce
- 11 organizations, educational institutions, training providers,
- 12 community and faith-based organizations, and other key
- 13 stakeholders;
- 14 (5) facilitate the development of a workforce plan to respond to
- 15 identified workforce needs and opportunities;
- 16 (6) host an annual industry summit to gather intelligence and
- 17 inform key workforce stakeholders of essential employer needs;
- 18 (7) contribute to the department's development of an industry-
- 19 valued credential and degree list and career awareness materials;
- 20 (8) maintain a website and a presence on social media to
- 21 disseminate industry intelligence and labor market information to
- 22 job seekers, students, employers, and education and workforce
- 23 stakeholders;
- 24 (9) report annually to the department and the Legislature the
- 25 status of the industry's workforce needs; and
- 26 (10) perform any other duties as required by the Commissioner
- 27 of Labor and Workforce Development.
- 28 d. Notwithstanding any law to the contrary, the Talent Network
- 29 Program shall be funded through State and federal job training funds,
- 30 as defined in section 4 of P.L.1989, c.293 (C.34:15C-1).

31

32 3. This act shall take effect immediately.

33

34

35 STATEMENT

36

37 This bill establishes the Talent Network Program in the
38 Department of Labor and Workforce Development. The purpose of
39 this program is to develop centralized sources of intelligence about
40 the workforce needs of the State's key industries by building
41 employer-driven partnerships. To fulfill the purpose of the Talent
42 Network Program, the department must annually award grant funds
43 to consortia of employers, educational institutions, and other
44 organizations concerned with workforce development, who
45 demonstrate knowledge and expertise in one of the State's key
46 industries.

47 Under the bill, each consortium awarded grant funds through the
48 Talent Network Program is required to: engage and convene

1 employers to identify common skill gaps and workforce needs;
2 engage and convene key education and workforce providers to
3 identify the capacity of local partners to meet industry workforce
4 needs; form partnerships that are employer-driven; create a strategy
5 for building and sustaining such partnerships; facilitate the
6 development of a workforce plan to respond to identified workforce
7 needs and opportunities; host an annual industry summit;
8 contribute to the department's development of an industry-valued
9 credential and degree list and career awareness materials; maintain
10 a website and a presence on social media to disseminate industry
11 intelligence and labor market information; report annually to the
12 department and the Legislature the status of the industry's
13 workforce needs; and perform any other duties as required by the
14 Commissioner of Labor and Workforce Development.

15 This bill codifies the department's system of talent networks,
16 partnerships of employers, workforce development organizations,
17 educational institutions, training providers, community and faith-
18 based organizations, and other key stakeholders designed to align
19 workforce development and education programs with the needs of
20 employers. The department has funded a variety of talent networks
21 since 2012 through the dissemination of federal and State workforce
22 training funds. The department currently funds seven talent
23 networks: advanced manufacturing; financial services; health care;
24 life sciences; technology and entrepreneurship; transportation,
25 logistics, and distribution; and retail, hospitality, and tourism.
26 Under the bill, the department is permitted to continue any grant
27 agreements awarded prior to the enactment of this legislation.

SENATE, No. 973

STATE OF NEW JERSEY
218th LEGISLATURE

INTRODUCED JANUARY 16, 2018

Sponsored by:
Senator TROY SINGLETON
District 7 (Burlington)

SYNOPSIS

Establishes Talent Network Program in DOLWD.

CURRENT VERSION OF TEXT

As introduced.



1 AN ACT establishing the Talent Network Program in the
2 Department of Labor and Workforce Development and
3 supplementing and amending P.L.1992, c.43 (C.34:15D-1 et
4 seq.).

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

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

10 a. To maintain a competitive edge in the 21st century, New
11 Jersey must develop a highly productive workforce that has the
12 knowledge, skills, and abilities needed by employers in the State's
13 key industries;

14 b. Workforce development and education programs that are
15 directly aligned with the needs of employers will ensure that more
16 New Jersey residents have pathways to economic opportunity and
17 successful careers, and that employers receive the talent required to
18 drive the growth of their businesses;

19 c. To cultivate such employer-driven partnerships, the
20 Department of Labor and Workforce Development has supported
21 the development of talent networks since 2011;

22 d. The department currently funds seven talent networks of
23 employers, educational institutions, and workforce development
24 organizations in industries including advanced manufacturing;
25 financial services; health care; life sciences; technology;
26 transportation, logistics, and distribution; and retail, hospitality, and
27 tourism; and

28 e. The establishment of a Talent Network Program will create a
29 permanent plan within the department to strengthen and enhance
30 these and future partnerships in meeting the workforce needs of the
31 State.

32
33 2. (New section) a. There is established in the Department of
34 Labor and Workforce Development the Talent Network Program.
35 The purpose of this program is to develop centralized sources of
36 intelligence about the workforce needs of the State's key industries
37 by building employer-driven partnerships between employers,
38 educational institutions, and other organizations concerned with
39 workforce development.

40 b. To fulfill the goal of the Talent Network Program, the
41 department shall annually award a minimum of \$2.0 million in grant
42 funds to nonprofit organizations, industry associations and post-
43 secondary educational institutions, who demonstrate knowledge and
44 expertise in one of the State's key industries. The department may
45 continue grant agreements with talent networks which were awarded

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 prior to the enactment of P.L. , c. (C.) (pending before the
2 Legislature as this bill).

3 c. Each nonprofit organization, industry association and post-
4 secondary educational institution awarded grant funds through the
5 Talent Network Program pursuant to subsection b. of this section
6 shall:

7 (1) engage and convene employers located throughout the State
8 to identify common skill gaps and workforce needs within the
9 targeted industry;

10 (2) engage and convene key education and workforce providers
11 located throughout the State to identify the capacity of local
12 partners to meet industry workforce needs;

13 (3) form partnerships that are employer-driven and that include
14 at least three key education and workforce providers;

15 (4) create a strategy for building and sustaining such
16 partnerships through commitments from employers, workforce
17 organizations, educational institutions, training providers,
18 community and faith-based organizations, and other key
19 stakeholders;

20 (5) facilitate the development of a workforce plan to respond to
21 identified workforce needs and opportunities;

22 (6) host an annual industry summit to gather intelligence and
23 inform key workforce stakeholders of essential employer needs;

24 (7) contribute to the department's development of an industry-
25 valued credential and degree list and career awareness materials;

26 (8) maintain a website and a presence on social media to
27 disseminate industry intelligence and labor market information to
28 job seekers, students, employers, and education and workforce
29 stakeholders;

30 (9) report annually to the department and the Legislature the
31 status of the industry's workforce needs; and

32 (10) perform any other duties as required by the Commissioner of
33 Labor and Workforce Development.

34 d. Notwithstanding any law to the contrary, the Talent Network
35 Program shall be funded through federal job training funds, as defined
36 in section 4 of P.L.1989, c.293 (C.34:15C-1). The department is
37 authorized to use any additional funds necessary to fulfill the
38 provisions of this section, as determined by the commissioner, from
39 the Workforce Development Partnership Fund moneys reserved for the
40 Talent Network Program pursuant to section 9 of P.L.1992, c.43
41 (C.34:15D-9).

42

43 3. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read
44 as follows:

45 9. a. A restricted, nonlapsing, revolving Workforce
46 Development Partnership Fund, to be managed and invested by the
47 State Treasurer, is hereby established to: provide employment and
48 training services to qualified displaced, disadvantaged and

1 employed workers by means of training grants or customized
2 training services; provide for the other costs indicated in subsection
3 a. of section 4 of P.L.1992, c.43 (C.34:15D-4); provide for the New
4 Jersey Innovation and Research Fellowship Program as provided for
5 in section 3 of P.L.2015, c.235 (C.34:15D-26); provide for the
6 Talent Network Program as provided for in section 2 of P.L. _____,
7 c. (C. _____) (pending before the Legislature as this bill); and
8 facilitate the provision of education and training to youth by means
9 of grants provided by the Youth Transitions to Work Partnership
10 pursuant to the provisions of P.L.1993, c.268 (C.34:15E-1 et al.).
11 All appropriations to the fund, all interest accumulated on balances
12 in the fund and all cash received for the fund from any other source
13 shall be used solely for the purposes specifically delineated by this
14 act.

15 b. During any fiscal year beginning after June 30, 2001, of the
16 total revenues dedicated to the program during any one fiscal year:
17 25% shall be deposited in an account of the Workforce
18 Development Partnership Fund reserved to provide employment and
19 training services for qualified displaced workers; 6% shall be
20 deposited in an account of the Workforce Development Partnership
21 Fund reserved to provide employment and training services for
22 qualified disadvantaged workers; **[42%]** 37% shall be deposited in
23 an account of the Workforce Development Partnership Fund
24 reserved for and appropriated to the Office of Customized Training;
25 5% shall be deposited in an account of the Workforce Development
26 Partnership Fund reserved for and appropriated to the Talent
27 Network Program established pursuant to section 2 of P.L. _____,
28 c. (C. _____) (pending before the Legislature as this bill); 3% shall
29 be deposited in an account of the Workforce Development
30 Partnership Fund reserved for occupational safety and health
31 training; 5% shall be deposited in an account of the Workforce
32 Development Partnership Fund reserved for the Youth Transitions
33 to Work Partnership created pursuant to P.L.1993, c.268 (C.34:15E-
34 1 et seq.); 3% shall be deposited in an account of the Workforce
35 Development Partnership Fund reserved for the New Jersey
36 Innovation and Research Fellowship Program established pursuant
37 to section 3 of P.L.2015, c.235 (C.34:15D-26); 10% shall be
38 deposited in an account of the Workforce Development Partnership
39 Fund reserved for administrative costs as defined in section 3 of
40 P.L.1992, c.43 (C.34:15D-3); 0.5% shall be deposited in an account
41 of the Workforce Development Partnership Fund reserved for the
42 State Employment and Training Commission to design criteria and
43 conduct an annual evaluation of the program; and 5.5% shall be
44 deposited in an account of the Workforce Development Partnership
45 Fund to be used, at the discretion of the commissioner, for any of
46 the purposes indicated in subsection a. of section 4 of P.L.1992,
47 c.43 (C.34:15D-4).

1 c. Beginning January 1, 1995, through June 30, 2002, the
2 balance in the fund as of the previous December 31, as determined
3 in accordance with generally accepted accounting principles, shall
4 not exceed 1.5 times the amount of contributions deposited for the
5 calendar year then ended. If the balance exceeds this amount, the
6 excess shall be deposited into the unemployment compensation
7 fund within seven business days of the date that the determination is
8 made.

9 d. Beginning July 1, 2002, and for any subsequent fiscal year,
10 if the unexpended cash balance in any of the accounts indicated in
11 subsection b. of this section, except for the account reserved for the
12 Talent Network Program, less any amount awarded in grants but not
13 yet disbursed from the account, is determined to exceed 20% of the
14 amount of contributions collected for deposit in the account
15 pursuant to this subsection during the fiscal year then ended, the
16 excess shall be regarded as an unemployment compensation
17 contribution and deposited into the unemployment compensation
18 fund within seven business days of the date that the determination is
19 made. If the unexpended cash balance in the account reserved for
20 the Talent Network Program, less any amount awarded in grants but
21 not yet disbursed from the account, is determined to exceed 20% of
22 the amount of contributions collected for deposit in the account
23 pursuant to this subsection during the fiscal year then ended, the
24 excess shall be deposited into the Workforce Development
25 Partnership Fund account reserved for the Office of Customized
26 Training.

27 (cf: P.L.2015, c.235, s.2)

28
29 4. This act shall take effect immediately.

30
31
32 STATEMENT

33
34 This bill establishes the Talent Network Program in the
35 Department of Labor and Workforce Development. The purpose of
36 this program is to develop centralized sources of intelligence about
37 the workforce needs of the State's key industries by building
38 employer-driven partnerships. To fulfill the purpose of the Talent
39 Network Program, the department must annually award a minimum
40 of \$2.0 million in grant funds from federal and State sources to
41 consortia of nonprofit organizations, industry associations and post-
42 secondary educational institutions, who demonstrate knowledge and
43 expertise in one of the State's key industries.

44 Under the bill, each consortium awarded grant funds through the
45 Talent Network Program is required to: engage and convene
46 employers to identify common skill gaps and workforce needs;
47 engage and convene key education and workforce providers to
48 identify the capacity of local partners to meet industry workforce

1 needs; form partnerships that are employer-driven; create a strategy
2 for building and sustaining such partnerships; facilitate the
3 development of a workforce plan to respond to identified workforce
4 needs and opportunities; host an annual industry summit;
5 contribute to the department's development of an industry-valued
6 credential and degree list and career awareness materials; maintain
7 a website and a presence on social media to disseminate industry
8 intelligence and labor market information; report annually to the
9 department and the Legislature the status of the industry's
10 workforce needs; and perform any other duties as required by the
11 Commissioner of Labor and Workforce Development.

12 This bill codifies the department's system of talent networks,
13 partnerships of employers, workforce development organizations,
14 educational institutions, training providers, community and faith-
15 based organizations, and other key stakeholders designed to align
16 workforce development and education programs with the needs of
17 employers. The department has funded a variety of talent networks
18 since 2011 through the dissemination of federal and State workforce
19 training funds, with \$1.6 million in federal funding and \$400,000 in
20 State funding supporting the program in FY 17. The department
21 currently funds seven talent networks: advanced manufacturing;
22 financial services; health care; life sciences; technology;
23 transportation, logistics, and distribution; and retail, hospitality, and
24 tourism. Under the bill, the department is permitted to continue any
25 grant agreements awarded prior to the enactment of this legislation.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR SENATE, Nos. 393 and 973

STATE OF NEW JERSEY

DATED: JUNE 18, 2018

The Assembly Labor Committee reports favorably Senate Committee Substitute for Senate, Nos. 393 and 973.

This substitute bill establishes the Talent Network Program in the Department of Labor and Workforce Development. The purpose of this program is to develop centralized sources of intelligence about the workforce needs of the State's key industries by building employer-driven partnerships. To fulfill the purpose of the Talent Network Program, the department must annually award a minimum of \$2.0 million in grant funds from federal and State sources to consortia of nonprofit organizations, industry associations and post-secondary educational institutions, who demonstrate knowledge and expertise in one of the State's key industries.

Under the bill, each consortium awarded grant funds through the Talent Network Program is required to: engage and convene employers to identify common skill gaps and workforce needs; engage and convene key education and workforce providers to identify the capacity of local partners to meet industry workforce needs; form partnerships that are employer-driven; create a strategy for building and sustaining such partnerships; facilitate the development of a workforce plan to respond to identified workforce needs and opportunities; host an annual industry summit; contribute to the department's development of an industry-valued credential and degree list and career awareness materials; maintain a website and a presence on social media to disseminate industry intelligence and labor market information; report annually to the department and the Legislature the status of the industry's workforce needs; and perform any other duties as required by the Commissioner of Labor and Workforce Development.

This bill codifies the department's system of talent networks, partnerships of employers, workforce development organizations, educational institutions, training providers, community and faith-based organizations, and other key stakeholders designed to align workforce development and education programs with the needs of employers. The department has funded a variety of talent networks since 2011 through the dissemination of federal and State workforce training funds, with \$1.6 million in federal funding and \$400,000 in State

funding supporting the program in FY 17. The department currently funds nine talent networks: advanced manufacturing; construction & utilities; financial services; food industry; health care; life sciences; technology; transportation, logistics, and distribution; and retail, hospitality, and tourism. Under the substitute bill, the department is permitted to continue any grant agreements awarded prior to the enactment of this legislation.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, Nos. 393 and 973**

STATE OF NEW JERSEY

DATED: OCTOBER 22, 2018

The Assembly Appropriations Committee reports favorably a Senate Committee Substitute for Senate Nos. 393 and 973.

Senate Bill Nos. 393/973 (SCS) establishes the Talent Network Program in the Department of Labor and Workforce Development. The purpose of this program is to develop centralized sources of intelligence about the workforce needs of the State's key industries by building employer-driven partnerships. To fulfill the purpose of the Talent Network Program, the department must annually award a minimum of \$2.0 million in grant funds from federal and State sources to consortia of nonprofit organizations, industry associations and post-secondary educational institutions, who demonstrate knowledge and expertise in one of the State's key industries.

Under the bill, each consortium awarded grant funds through the Talent Network Program is required to: engage and convene employers to identify common skill gaps and workforce needs; engage and convene key education and workforce providers to identify the capacity of local partners to meet industry workforce needs; form partnerships that are employer-driven; create a strategy for building and sustaining such partnerships; facilitate the development of a workforce plan to respond to identified workforce needs and opportunities; host an annual industry summit; contribute to the department's development of an industry-valued credential and degree list and career awareness materials; maintain a website and a presence on social media to disseminate industry intelligence and labor market information; report annually to the department and the Legislature the status of the industry's workforce needs; and perform any other duties as required by the Commissioner of Labor and Workforce Development.

This bill codifies the department's system of talent networks, partnerships of employers, workforce development organizations, educational institutions, training providers, community and faith-based organizations, and other key stakeholders designed to align workforce development and education programs with the needs of employers. The department has funded a variety of talent networks since 2011 through the dissemination of federal and State workforce training funds, with \$1.6 million in federal funding and \$400,000 in State

funding supporting the program in FY 17. The department currently funds nine talent networks: advanced manufacturing; construction & utilities; financial services; food industry; health care; life sciences; technology; transportation, logistics, and distribution; and retail, hospitality, and tourism. Under the substitute bill, the department is permitted to continue any grant agreements awarded prior to the enactment of this legislation.

As reported, this bill is identical to Assembly Bill No. 3417, as also reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that the bill may alter the annual revenues and expenditures of public institutions of higher education that receive grant funding under the existing Talent Network Program. The OLS does not have sufficient information to forecast the number of public institutions of higher education that will receive grant funding and the amount each institution will receive under the bill, and how the grant funding under the bill will differ from the program as it is operated under current law. Expenditures by participating public institutions of higher education will reflect changes in Talent Network Program grant disbursements to participating institutions under the bill relative to current law.

SENATE LABOR COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR SENATE, Nos. 393 and 973

STATE OF NEW JERSEY

DATED: MARCH 5, 2018

The Senate Labor Committee reports favorably this committee substitute for Senate Bills Nos. 393 and 973.

This substitute establishes the Talent Network Program in the Department of Labor and Workforce Development. The purpose of this program is to develop centralized sources of intelligence about the workforce needs of the State's key industries by building employer-driven partnerships. To fulfill the purpose of the Talent Network Program, the department must annually award a minimum of \$2.0 million in grant funds from federal and State sources to consortia of nonprofit organizations, industry associations and post-secondary educational institutions, who demonstrate knowledge and expertise in one of the State's key industries.

Under the substitute, each consortium awarded grant funds through the Talent Network Program is required to: engage and convene employers to identify common skill gaps and workforce needs; engage and convene key education and workforce providers to identify the capacity of local partners to meet industry workforce needs; form partnerships that are employer-driven; create a strategy for building and sustaining such partnerships; facilitate the development of a workforce plan to respond to identified workforce needs and opportunities; host an annual industry summit; contribute to the department's development of an industry-valued credential and degree list and career awareness materials; maintain a website and a presence on social media to disseminate industry intelligence and labor market information; report annually to the department and the Legislature the status of the industry's workforce needs; and perform any other duties as required by the Commissioner of Labor and Workforce Development.

This substitute codifies the department's system of talent networks, partnerships of employers, workforce development organizations, educational institutions, training providers, community and faith-based organizations, and other key stakeholders designed to align workforce development and education programs with the needs of employers. The department has funded a variety of talent networks since 2011 through the dissemination of federal and State workforce training funds, with \$1.6 million in federal funding and \$400,000 in State

funding supporting the program in FY 17. The department currently funds nine talent networks: advanced manufacturing; construction & utilities; financial services; food industry; health care; life sciences; technology; transportation, logistics, and distribution; and retail, hospitality, and tourism. Under the bill, the department is permitted to continue any grant agreements awarded prior to the enactment of this legislation.

SENATE BUDGET AND APPROPRIATIONS COMMITTEE

STATEMENT TO

SENATE COMMITTEE SUBSTITUTE FOR **SENATE, No. 393 and 973**

STATE OF NEW JERSEY

DATED: MAY 21, 2018

The Senate Budget and Appropriations Committee reports favorably Senate Bill No. 393 and 973 (SCS).

This bill establishes the Talent Network Program in the Department of Labor and Workforce Development. The purpose of this program is to develop centralized sources of intelligence about the workforce needs of the State's key industries by building employer-driven partnerships. To fulfill the purpose of the Talent Network Program, the department must annually award a minimum of \$2.0 million in grant funds from federal and State sources to consortia of nonprofit organizations, industry associations and post-secondary educational institutions, who demonstrate knowledge and expertise in one of the State's key industries.

Under the substitute bill, each consortium awarded grant funds through the Talent Network Program is required to: engage and convene employers to identify common skill gaps and workforce needs; engage and convene key education and workforce providers to identify the capacity of local partners to meet industry workforce needs; form partnerships that are employer-driven; create a strategy for building and sustaining such partnerships; facilitate the development of a workforce plan to respond to identified workforce needs and opportunities; host an annual industry summit; contribute to the department's development of an industry-valued credential and degree list and career awareness materials; maintain a website and a presence on social media to disseminate industry intelligence and labor market information; report annually to the department and the Legislature the status of the industry's workforce needs; and perform any other duties as required by the Commissioner of Labor and Workforce Development.

This substitute bill codifies the department's system of talent networks, partnerships of employers, workforce development organizations, educational institutions, training providers, community and faith-based organizations, and other key stakeholders designed to align workforce development and education programs with the needs of employers. The department has funded a variety of talent networks since 2011 through the dissemination of federal and State workforce training funds, with \$1.6 million in federal funding and \$400,000 in

State funding supporting the program in FY 17. The department currently funds nine talent networks: advanced manufacturing; construction & utilities; financial services; food industry; health care; life sciences; technology; transportation, logistics, and distribution; and retail, hospitality, and tourism. Under the substitute bill, the department is permitted to continue any grant agreements awarded prior to the enactment of this legislation.

FISCAL IMPACT:

The OLS notes the substitute bill will result in a shift of funds between programs that utilize the Workforce Development Partnership Fund. Currently, the law provides that 42 percent of total revenues from the Workforce Development Partnership Fund be deposited into an account for the Office of Customized Training. The substitute bill would reduce the amount reserved for the Office of Customized Training from 42 percent to 37 percent and shift the newly available five percent to the Talent Network Program, which is established by the substitute bill.

LEGISLATIVE FISCAL ESTIMATE
SENATE COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 393 and 973
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: NOVEMBER 2, 2018

SUMMARY

Synopsis: Establishes Talent Network Program in DOLWD.

Type of Impact: Indeterminate Revenue and Expenditure Impacts on Certain Public Institutions of Higher Education.

Agencies Affected: Certain Public Institutions of Higher Education.
 Department of Labor and Workforce Development.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
Revenue Impact on Certain Public Institutions of Higher Education	Indeterminate
Expenditure Impact on Certain Public Institutions of Higher Education	Indeterminate

- The Office of Legislative Services (OLS) notes that the bill may alter the annual revenues and expenditures of public institutions of higher education that receive grant funding under the existing Talent Network Program. The OLS does not have sufficient information to forecast the number of public institutions of higher education that will receive grant funding and the amount each institution will receive under the bill, and how the grant funding under the bill will differ from the program as it is operated under current law.
- The bill establishes a minimum allocation of \$2.0 million to the Talent Network Program per fiscal year. In any given fiscal year, the program allocation under current law may be higher, lower or equal to \$2.0 million. For example, the Department of Labor and Workforce Development (DOLWD) expended \$2.0 million on the program in FY 2017 and \$3.0 million in FY 2018. Expenditures by participating public institutions of higher education will reflect any changes in Talent Network Program grant disbursements to participating institutions under the bill relative to current law.



BILL DESCRIPTION

This bill codifies the existing Talent Network Program in the DOLWD. The purpose of this program is to develop centralized sources of intelligence about the workforce needs of the State's key industries by building employer-driven partnerships. To fulfill the purpose of the Talent Network Program, the department must annually award a minimum of \$2.0 million in grant funds from federal and State sources to consortia of nonprofit organizations, industry associations, and post-secondary educational institutions, which demonstrate knowledge and expertise in one of the State's key industries.

Each consortium awarded grant funds through the program is required to: engage and convene employers to identify common skill gaps and workforce needs; engage and convene key education and workforce providers to identify the capacity of local partners to meet industry workforce needs; form partnerships that are employer-driven; create a strategy for building and sustaining such partnerships; facilitate the development of a workforce plan to respond to identified workforce needs and opportunities; host an annual industry summit; contribute to the department's development of an industry-valued credential and degree list and career awareness materials; maintain a website and a presence on social media to disseminate industry intelligence and labor market information; report annually to the department and the Legislature the status of the industry's workforce needs; and perform any other duties as required by the DOLWD.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS notes that the bill may alter the annual revenues and expenditures of public institutions of higher education that receive grant funding under the existing Talent Network Program. The OLS does not have sufficient information to forecast the number of public institutions of higher education that will receive grant funding and the amount each institution will receive under the bill, and how the grant funding under the bill will differ from the program as it is operated under current law.

The bill establishes a minimum allocation of \$2.0 million to the Talent Network Program per fiscal year. In any given fiscal year, the program allocation under current law may be higher, lower or equal to \$2.0 million. For example, the DOLWD expended \$2.0 million on the program in FY 2017 and \$3.0 million in FY 2018. Accordingly, in any given fiscal year, the bill may result in an increased allocation to the program or may have no impact on the allocation. Expenditures by participating public institutions of higher education will reflect any changes in Talent Network Program grant disbursements to participating institutions under the bill relative to current law.

The DOLWD has funded a variety of talent networks since 2011 through the dissemination of federal and State workforce training funds, with \$1.6 million in federal funding and \$400,000 in State funding supporting the program in FY 2017. The \$3.0 million in FY 2018 program funding was entirely from federal sources. The DOLWD currently funds ten talent networks in the following nine industries: advanced manufacturing; construction and utilities; financial

services; health care; food industry; life sciences; technology; transportation, logistics, and distribution; and retail, hospitality, and tourism.

It should be also noted that even though the bill adjusts the statutory percentage allocation of Workforce Development Partnership Fund balances to certain programs, the bill will not change the overall revenues or expenses of the fund.

For purposes of illustration, the FY 2019 Governor's Budget estimated about \$131.0 million in fund revenues from an assessment on workers and their employers and investment earnings in FY 2019. Additionally, the fund was projected to have a balance of \$64.2 million at the end of FY 2018, which is estimated to decrease to \$40.0 million by the end of FY 2019 (page 95 of the "Supplementary Information" section in the FY 2019 Governor's Budget, available online). While the DOLWD is statutorily required to follow the fund's allocation formula, a large portion of the fund's money does not conform to the statutory formula but rather is appropriated annually through superseding budget language.

Section: Commerce, Labor and Industry

*Analyst: Juan C. Rodriguez
Associate Fiscal Analyst*

*Approved: Frank W. Haines III
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 COMMITTEE SUBSTITUTE FOR
SENATE, Nos. 393 and 973
STATE OF NEW JERSEY
218th LEGISLATURE

DATED: MARCH 21, 2019

SUMMARY

Synopsis: Establishes Talent Network Program in DOLWD.

Type of Impact: Indeterminate Revenue and Expenditure Impacts on Certain Public Institutions of Higher Education.

Agencies Affected: Certain Public Institutions of Higher Education.
 Department of Labor and Workforce Development.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
Revenue Impact on Certain Public Institutions of Higher Education	Indeterminate
Expenditure Impact on Certain Public Institutions of Higher Education	Indeterminate

- The Office of Legislative Services (OLS) notes that the bill may alter the annual revenues and expenditures of public institutions of higher education that receive grant funding under the existing Talent Network Program. The OLS does not have sufficient information to forecast the number of public institutions of higher education that will receive grant funding and the amount each institution will receive under the bill, and how the grant funding under the bill will differ from the program as it is operated under current law.
- To fulfill the goal of the Talent Network Program, the bill requires that the Department of Labor and Workforce Development annually award grant funds to certain organizations. In any given fiscal year, the program allocation currently may be higher, lower, or equal to \$2.0 million. For example, the Department of Labor and Workforce Development (DOLWD) expended \$2.0 million on the program in FY 2017 and \$3.0 million in FY 2018. Expenditures by participating public institutions of higher education will reflect any changes in Talent Network Program grant disbursements to participating institutions under the bill relative to current law.

BILL DESCRIPTION

This bill codifies the existing Talent Network Program in the DOLWD. The purpose of this program is to develop centralized sources of intelligence about the workforce needs of the State's key industries by building employer-driven partnerships. To fulfill the purpose of the Talent Network Program, the DOLWD must annually award grant funds from federal and State sources to consortia of nonprofit organizations, industry associations, and post-secondary educational institutions, which demonstrate knowledge and expertise in one of the State's key industries.

Each consortium awarded grant funds through the program is required to: engage and convene employers to identify common skill gaps and workforce needs; engage and convene key education and workforce providers to identify the capacity of local partners to meet industry workforce needs; form partnerships that are employer-driven; create a strategy for building and sustaining such partnerships; facilitate the development of a workforce plan to respond to identified workforce needs and opportunities; host an annual industry summit; contribute to the department's development of an industry-valued credential and degree list and career awareness materials; maintain a website and a presence on social media to disseminate industry intelligence and labor market information; report annually to the department and the Legislature the status of the industry's workforce needs; and perform any other duties as required by the DOLWD.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS notes that the bill may alter the annual revenues and expenditures of public institutions of higher education that receive grant funding under the existing Talent Network Program. The OLS does not have sufficient information to forecast the number of public institutions of higher education that will receive grant funding and the amount each institution will receive under the bill, and how the grant funding under the bill will differ from the program as it is currently operated.

To fulfill the goal of the Talent Network Program, the bill requires that the Department of Labor and Workforce Development annually award grant funds to certain organizations. For example, the DOLWD expended \$2.0 million on the program in FY 2017 and \$3.0 million in FY 2018. Expenditures by participating public institutions of higher education will reflect any changes in Talent Network Program grant disbursements to participating institutions under the bill relative to current law.

The DOLWD has funded a variety of talent networks since 2011 through the dissemination of federal and State workforce training funds, with \$1.6 million in federal funding and \$400,000 in State funding supporting the program in FY 2017. The \$3.0 million in FY 2018 program funding was entirely from federal sources. The DOLWD currently funds ten talent networks in the following nine industries: advanced manufacturing; construction and utilities; financial services; health care; food industry; life sciences; technology; transportation, logistics, and distribution; and retail, hospitality, and tourism.

It should be also noted that even though the bill adjusts the statutory percentage allocation of Workforce Development Partnership Fund balances to certain programs, the bill will not change the overall revenues or expenses of the fund.

For purposes of illustration, the FY 2019 Governor's Budget estimated about \$131.0 million in fund revenues from an assessment on workers and their employers and investment earnings in FY 2019. Additionally, the fund was projected to have a balance of \$64.2 million at the end of FY 2018, which is estimated to decrease to \$40.0 million by the end of FY 2019 (page 95 of the "Supplementary Information" section in the FY 2019 Governor's Budget, available online). While the DOLWD is statutorily required to follow the fund's allocation formula, a large portion of the fund's money is not disbursed according to that statutory formula, but rather is appropriated annually through superseding budget language.

Section: Commerce, Labor and Industry

*Analyst: Juan C. Rodriguez
Associate Fiscal Analyst*

*Approved: Frank W. Haines III
Legislative Budget and Finance Officer*

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

ASSEMBLY, No. 3417

STATE OF NEW JERSEY 218th LEGISLATURE

INTRODUCED FEBRUARY 15, 2018

Sponsored by:

Assemblyman WAYNE P. DEANGELO

District 14 (Mercer and Middlesex)

Assemblywoman CAROL A. MURPHY

District 7 (Burlington)

SYNOPSIS

Establishes Talent Network Program in DOLWD.

CURRENT VERSION OF TEXT

As introduced.



(Sponsorship Updated As Of: 3/6/2018)

1 AN ACT establishing the Talent Network Program in the
2 Department of Labor and Workforce Development and
3 supplementing and amending P.L.1992, c.43 (C.34:15D-1 et
4 seq.).

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

- 8
9 1. (New section) The Legislature finds and declares that:
10 a. To maintain a competitive edge in the 21st century, New
11 Jersey must develop a highly productive workforce that has the
12 knowledge, skills, and abilities needed by employers in the State's
13 key industries;
14 b. Workforce development and education programs that are
15 directly aligned with the needs of employers will ensure that more
16 New Jersey residents have pathways to economic opportunity and
17 successful careers, and that employers receive the talent required to
18 drive the growth of their businesses;
19 c. To cultivate such employer-driven partnerships, the
20 Department of Labor and Workforce Development has supported
21 the development of talent networks since 2011;
22 d. The department currently funds seven talent networks of
23 employers, educational institutions, and workforce development
24 organizations in industries including advanced manufacturing;
25 financial services; health care; life sciences; technology;
26 transportation, logistics, and distribution; and retail, hospitality, and
27 tourism; and
28 e. The establishment of a Talent Network Program will create a
29 permanent plan within the department to strengthen and enhance
30 these and future partnerships in meeting the workforce needs of the
31 State.

32
33 2. (New section) a. There is established in the Department of
34 Labor and Workforce Development the Talent Network Program.
35 The purpose of this program is to develop centralized sources of
36 intelligence about the workforce needs of the State's key industries
37 by building employer-driven partnerships between employers,
38 educational institutions, and other organizations concerned with
39 workforce development.

40 b. To fulfill the goal of the Talent Network Program, the
41 department shall annually award a minimum of \$2.0 million in grant
42 funds to nonprofit organizations, industry associations and post-
43 secondary educational institutions, who demonstrate knowledge and
44 expertise in one of the State's key industries. The department may
45 continue grant agreements with talent networks which were awarded

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 prior to the enactment of P.L. , c. (C.) (pending before the
2 Legislature as this bill).

3 c. Each nonprofit organization, industry association and post-
4 secondary educational institution awarded grant funds through the
5 Talent Network Program pursuant to subsection b. of this section
6 shall:

7 (1) engage and convene employers located throughout the State
8 to identify common skill gaps and workforce needs within the
9 targeted industry;

10 (2) engage and convene key education and workforce providers
11 located throughout the State to identify the capacity of local
12 partners to meet industry workforce needs;

13 (3) form partnerships that are employer-driven and that include
14 at least three key education and workforce providers;

15 (4) create a strategy for building and sustaining such
16 partnerships through commitments from employers, workforce
17 organizations, educational institutions, training providers,
18 community and faith-based organizations, and other key
19 stakeholders;

20 (5) facilitate the development of a workforce plan to respond to
21 identified workforce needs and opportunities;

22 (6) host an annual industry summit to gather intelligence and
23 inform key workforce stakeholders of essential employer needs;

24 (7) contribute to the department's development of an industry-
25 valued credential and degree list and career awareness materials;

26 (8) maintain a website and a presence on social media to
27 disseminate industry intelligence and labor market information to
28 job seekers, students, employers, and education and workforce
29 stakeholders;

30 (9) report annually to the department and the Legislature the
31 status of the industry's workforce needs; and

32 (10) perform any other duties as required by the Commissioner of
33 Labor and Workforce Development.

34 d. Notwithstanding any law to the contrary, the Talent Network
35 Program shall be funded through federal job training funds, as defined
36 in section 4 of P.L.1989, c.293 (C.34:15C-1). The department is
37 authorized to use any additional funds necessary to fulfill the
38 provisions of this section, as determined by the commissioner, from
39 the Workforce Development Partnership Fund moneys reserved for the
40 Talent Network Program pursuant to section 9 of P.L.1992, c.43
41 (C.34:15D-9).

42

43 3. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read
44 as follows:

45 9. a. A restricted, nonlapsing, revolving Workforce
46 Development Partnership Fund, to be managed and invested by the
47 State Treasurer, is hereby established to: provide employment and
48 training services to qualified displaced, disadvantaged and

1 employed workers by means of training grants or customized
2 training services; provide for the other costs indicated in subsection
3 a. of section 4 of P.L.1992, c.43 (C.34:15D-4); provide for the New
4 Jersey Innovation and Research Fellowship Program as provided for
5 in section 3 of P.L.2015, c.235 (C.34:15D-26); provide for the
6 Talent Network Program as provided for in section 2 of P.L. _____,
7 c. (C. _____) (pending before the Legislature as this bill); and
8 facilitate the provision of education and training to youth by means
9 of grants provided by the Youth Transitions to Work Partnership
10 pursuant to the provisions of P.L.1993, c.268 (C.34:15E-1 et al.).
11 All appropriations to the fund, all interest accumulated on balances
12 in the fund and all cash received for the fund from any other source
13 shall be used solely for the purposes specifically delineated by this
14 act.

15 b. During any fiscal year beginning after June 30, 2001, of the
16 total revenues dedicated to the program during any one fiscal year:
17 25% shall be deposited in an account of the Workforce
18 Development Partnership Fund reserved to provide employment and
19 training services for qualified displaced workers; 6% shall be
20 deposited in an account of the Workforce Development Partnership
21 Fund reserved to provide employment and training services for
22 qualified disadvantaged workers; **[42%]** 37% shall be deposited in
23 an account of the Workforce Development Partnership Fund
24 reserved for and appropriated to the Office of Customized Training;
25 5% shall be deposited in an account of the Workforce Development
26 Partnership Fund reserved for and appropriated to the Talent
27 Network Program established pursuant to section 2 of P.L. _____,
28 c. (C. _____) (pending before the Legislature as this bill); 3% shall
29 be deposited in an account of the Workforce Development
30 Partnership Fund reserved for occupational safety and health
31 training; 5% shall be deposited in an account of the Workforce
32 Development Partnership Fund reserved for the Youth Transitions
33 to Work Partnership created pursuant to P.L.1993, c.268 (C.34:15E-
34 1 et seq.); 3% shall be deposited in an account of the Workforce
35 Development Partnership Fund reserved for the New Jersey
36 Innovation and Research Fellowship Program established pursuant
37 to section 3 of P.L.2015, c.235 (C.34:15D-26); 10% shall be
38 deposited in an account of the Workforce Development Partnership
39 Fund reserved for administrative costs as defined in section 3 of
40 P.L.1992, c.43 (C.34:15D-3); 0.5% shall be deposited in an account
41 of the Workforce Development Partnership Fund reserved for the
42 State Employment and Training Commission to design criteria and
43 conduct an annual evaluation of the program; and 5.5% shall be
44 deposited in an account of the Workforce Development Partnership
45 Fund to be used, at the discretion of the commissioner, for any of
46 the purposes indicated in subsection a. of section 4 of P.L.1992,
47 c.43 (C.34:15D-4).

1 c. Beginning January 1, 1995, through June 30, 2002, the
2 balance in the fund as of the previous December 31, as determined
3 in accordance with generally accepted accounting principles, shall
4 not exceed 1.5 times the amount of contributions deposited for the
5 calendar year then ended. If the balance exceeds this amount, the
6 excess shall be deposited into the unemployment compensation
7 fund within seven business days of the date that the determination is
8 made.

9 d. Beginning July 1, 2002, and for any subsequent fiscal year,
10 if the unexpended cash balance in any of the accounts indicated in
11 subsection b. of this section, except for the account reserved for the
12 Talent Network Program, less any amount awarded in grants but not
13 yet disbursed from the account, is determined to exceed 20% of the
14 amount of contributions collected for deposit in the account
15 pursuant to this subsection during the fiscal year then ended, the
16 excess shall be regarded as an unemployment compensation
17 contribution and deposited into the unemployment compensation
18 fund within seven business days of the date that the determination is
19 made. If the unexpended cash balance in the account reserved for
20 the Talent Network Program, less any amount awarded in grants but
21 not yet disbursed from the account, is determined to exceed 20% of
22 the amount of contributions collected for deposit in the account
23 pursuant to this subsection during the fiscal year then ended, the
24 excess shall be deposited into the Workforce Development
25 Partnership Fund account reserved for the Office of Customized
26 Training.

27 (cf: P.L.2015, c.235, s.2)

28

29 4. This act shall take effect immediately.

30

31

32

STATEMENT

33

34 This bill establishes the Talent Network Program in the
35 Department of Labor and Workforce Development. The purpose of
36 this program is to develop centralized sources of intelligence about
37 the workforce needs of the State's key industries by building
38 employer-driven partnerships. To fulfill the purpose of the Talent
39 Network Program, the department must annually award a minimum
40 of \$2.0 million in grant funds from federal and State sources to
41 consortia of nonprofit organizations, industry associations and post-
42 secondary educational institutions, who demonstrate knowledge and
43 expertise in one of the State's key industries.

44 Under the bill, each consortium awarded grant funds through the
45 Talent Network Program is required to: engage and convene
46 employers to identify common skill gaps and workforce needs;
47 engage and convene key education and workforce providers to
48 identify the capacity of local partners to meet industry workforce

1 needs; form partnerships that are employer-driven; create a strategy
2 for building and sustaining such partnerships; facilitate the
3 development of a workforce plan to respond to identified workforce
4 needs and opportunities; host an annual industry summit;
5 contribute to the department's development of an industry-valued
6 credential and degree list and career awareness materials; maintain
7 a website and a presence on social media to disseminate industry
8 intelligence and labor market information; report annually to the
9 department and the Legislature the status of the industry's
10 workforce needs; and perform any other duties as required by the
11 Commissioner of Labor and Workforce Development.

12 This bill codifies the department's system of talent networks,
13 partnerships of employers, workforce development organizations,
14 educational institutions, training providers, community and faith-
15 based organizations, and other key stakeholders designed to align
16 workforce development and education programs with the needs of
17 employers. The department has funded a variety of talent networks
18 since 2011 through the dissemination of federal and State workforce
19 training funds, with \$1.6 million in federal funding and \$400,000 in
20 State funding supporting the program in FY 17. The department
21 currently funds seven talent networks: advanced manufacturing;
22 financial services; health care; life sciences; technology;
23 transportation, logistics, and distribution; and retail, hospitality, and
24 tourism. Under the bill, the department is permitted to continue any
25 grant agreements awarded prior to the enactment of this legislation.

ASSEMBLY LABOR COMMITTEE

STATEMENT TO

ASSEMBLY, No. 3417

with committee amendments

STATE OF NEW JERSEY

DATED: JUNE 18, 2018

The Assembly Labor Committee reports favorably and with committee amendments Assembly Bill No. 3417.

As amended, this bill establishes the Talent Network Program in the Department of Labor and Workforce Development. The purpose of this program is to develop centralized sources of intelligence about the workforce needs of the State's key industries by building employer-driven partnerships. To fulfill the purpose of the Talent Network Program, the department must annually award a minimum of \$2.0 million in grant funds from federal and State sources to consortia of nonprofit organizations, industry associations and post-secondary educational institutions, who demonstrate knowledge and expertise in one of the State's key industries.

Under the bill, each consortium awarded grant funds through the Talent Network Program is required to: engage and convene employers to identify common skill gaps and workforce needs; engage and convene key education and workforce providers to identify the capacity of local partners to meet industry workforce needs; form partnerships that are employer-driven; create a strategy for building and sustaining such partnerships; facilitate the development of a workforce plan to respond to identified workforce needs and opportunities; host an annual industry summit; contribute to the department's development of an industry-valued credential and degree list and career awareness materials; maintain a website and a presence on social media to disseminate industry intelligence and labor market information; report annually to the department and the Legislature the status of the industry's workforce needs; and perform any other duties as required by the Commissioner of Labor and Workforce Development.

This bill codifies the department's system of talent networks, partnerships of employers, workforce development organizations, educational institutions, training providers, community and faith-based organizations, and other key stakeholders designed to align workforce development and education programs with the needs of employers. The department has funded a variety of talent networks since 2011 through the dissemination of federal and State workforce training funds, with \$1.6 million in federal funding and \$400,000 in State

funding supporting the program in FY 17. The department currently funds nine talent networks: advanced manufacturing; construction and utilities; financial services; health care; food industry; life sciences; technology; transportation, logistics, and distribution; and retail, hospitality, and tourism. Under the bill, the department is permitted to continue any grant agreements awarded prior to the enactment of this legislation.

As amended, the bill is identical to the Senate Committee Substitute for Nos. 393 and 973 of the 2018-2019 session.

COMMITTEE AMENDMENTS:

The committee amended the findings and declarations portion of the bill to reflect that the department funds nine talent networks, rather than seven, and to add construction and utility, and food industry, respectively, to the list of funded talent networks.

These amendments make the bill identical to the Senate Committee Substitute for Nos. 393 and 973 of the 2018-2019 session.

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[First Reprint]

ASSEMBLY, No. 3417

STATE OF NEW JERSEY

DATED: OCTOBER 22, 2018

The Assembly Appropriations Committee reports favorably Assembly Bill No. 3417 (1R).

Assembly Bill No. 3417 (1R) establishes the Talent Network Program in the Department of Labor and Workforce Development. The purpose of this program is to develop centralized sources of intelligence about the workforce needs of the State's key industries by building employer-driven partnerships. To fulfill the purpose of the Talent Network Program, the department must annually award a minimum of \$2.0 million in grant funds from federal and State sources to consortia of nonprofit organizations, industry associations and post-secondary educational institutions, who demonstrate knowledge and expertise in one of the State's key industries.

Under the bill, each consortium awarded grant funds through the Talent Network Program is required to: engage and convene employers to identify common skill gaps and workforce needs; engage and convene key education and workforce providers to identify the capacity of local partners to meet industry workforce needs; form partnerships that are employer-driven; create a strategy for building and sustaining such partnerships; facilitate the development of a workforce plan to respond to identified workforce needs and opportunities; host an annual industry summit; contribute to the department's development of an industry-valued credential and degree list and career awareness materials; maintain a website and a presence on social media to disseminate industry intelligence and labor market information; report annually to the department and the Legislature the status of the industry's workforce needs; and perform any other duties as required by the Commissioner of Labor and Workforce Development.

This bill codifies the department's system of talent networks, partnerships of employers, workforce development organizations, educational institutions, training providers, community and faith-based organizations, and other key stakeholders designed to align workforce development and education programs with the needs of employers. The department has funded a variety of talent networks since 2011 through the dissemination of federal and State workforce training funds, with \$1.6 million in federal funding and \$400,000 in State

funding supporting the program in FY 17. The department currently funds nine talent networks: advanced manufacturing; construction and utilities; financial services; health care; food industry; life sciences; technology; transportation, logistics, and distribution; and retail, hospitality, and tourism. Under the bill, the department is permitted to continue any grant agreements awarded prior to the enactment of this legislation.

As reported, this bill is identical to Senate Bill Nos. 393/973 (SCS), as also reported by the committee on this date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) notes that the bill may alter the annual revenues and expenditures of public institutions of higher education that receive grant funding under the existing Talent Network Program. The OLS does not have sufficient information to forecast the number of public institutions of higher education that will receive grant funding and the amount each institution will receive under the bill, and how the grant funding under the bill will differ from the program as it is operated under current law. Expenditures by participating public institutions of higher education will reflect changes in Talent Network Program grant disbursements to participating institutions under the bill relative to current law.

LEGISLATIVE FISCAL ESTIMATE

[First Reprint]

ASSEMBLY, No. 3417

STATE OF NEW JERSEY 218th LEGISLATURE

DATED: OCTOBER 24, 2018

SUMMARY

- Synopsis:** Establishes Talent Network Program in DOLWD.
- Type of Impact:** Indeterminate Revenue and Expenditure Impacts on Certain Public Institutions of Higher Education.
- Agencies Affected:** Certain Public Institutions of Higher Education.
Department of Labor and Workforce Development.

Office of Legislative Services Estimate

Fiscal Impact	<u>Annual</u>
Revenue Impact on Certain Public Institutions of Higher Education	Indeterminate
Expenditure Impact on Certain Public Institutions of Higher Education	Indeterminate

- The Office of Legislative Services (OLS) notes that the bill may alter the annual revenues and expenditures of public institutions of higher education that receive grant funding under the existing Talent Network Program. The OLS does not have sufficient information to forecast the number of public institutions of higher education that will receive grant funding and the amount each institution will receive under the bill, and how the grant funding under the bill will differ from the program as it is operated under current law.
- The bill establishes a minimum allocation of \$2.0 million to the Talent Network Program per fiscal year. In any given fiscal year, the program allocation under current law may be higher, lower or equal to \$2.0 million. For example, the Department of Labor and Workforce Development (DOLWD) expended \$2.0 million on the program in FY 2017 and \$3.0 million in FY 2018. Expenditures by participating public institutions of higher education will reflect any changes in Talent Network Program grant disbursements to participating institutions under the bill relative to current law.

BILL DESCRIPTION

This bill codifies the existing Talent Network Program in the DOLWD. The purpose of this program is to develop centralized sources of intelligence about the workforce needs of the State's key industries by building employer-driven partnerships. To fulfill the purpose of the Talent Network Program, the department must annually award a minimum of \$2.0 million in grant funds from federal and State sources to consortia of nonprofit organizations, industry associations, and post-secondary educational institutions, which demonstrate knowledge and expertise in one of the State's key industries.

Each consortium awarded grant funds through the program is required to: engage and convene employers to identify common skill gaps and workforce needs; engage and convene key education and workforce providers to identify the capacity of local partners to meet industry workforce needs; form partnerships that are employer-driven; create a strategy for building and sustaining such partnerships; facilitate the development of a workforce plan to respond to identified workforce needs and opportunities; host an annual industry summit; contribute to the department's development of an industry-valued credential and degree list and career awareness materials; maintain a website and a presence on social media to disseminate industry intelligence and labor market information; report annually to the department and the Legislature the status of the industry's workforce needs; and perform any other duties as required by the DOLWD.

FISCAL ANALYSIS

EXECUTIVE BRANCH

None received.

OFFICE OF LEGISLATIVE SERVICES

The OLS notes that the bill may alter the annual revenues and expenditures of public institutions of higher education that receive grant funding under the existing Talent Network Program. The OLS does not have sufficient information to forecast the number of public institutions of higher education that will receive grant funding and the amount each institution will receive under the bill, and how the grant funding under the bill will differ from the program as it is operated under current law.

The bill establishes a minimum allocation of \$2.0 million to the Talent Network Program per fiscal year. In any given fiscal year, the program allocation under current law may be higher, lower or equal to \$2.0 million. For example, the DOLWD expended \$2.0 million on the program in FY 2017 and \$3.0 million in FY 2018. Accordingly, in any given fiscal year, the bill may result in an increased allocation to the program or may have no impact on the allocation. Expenditures by participating public institutions of higher education will reflect any changes in Talent Network Program grant disbursements to participating institutions under the bill relative to current law.

The department has funded a variety of talent networks since 2011 through the dissemination of federal and State workforce training funds, with \$1.6 million in federal funding and \$400,000 in State funding supporting the program in FY 2017. The \$3.0 million in FY 2018 program funding was entirely from federal sources. The department currently funds ten talent networks in the following nine industries: advanced manufacturing; construction and utilities; financial

services; health care; food industry; life sciences; technology; transportation, logistics, and distribution; and retail, hospitality, and tourism.

It should be also noted that even though the bill adjusts the statutory percentage allocation of Workforce Development Partnership Fund balances to certain programs, the bill will not change the overall revenues or expenses of the fund.

For purposes of illustration, the FY 2019 Governor's Budget estimated about \$131.0 million in fund revenues from an assessment on workers and their employers and investment earnings in FY 2019. Additionally, the fund was projected to have a balance of \$64.2 million at the end of FY 2018, which is estimated to decrease to \$40.0 million by the end of FY 2019 (Page 95 of the "Supplementary Information" section in the FY 2019 Governor's Budget, available online). While the department is statutorily required to follow the fund's allocation formula, a large portion of the fund's money does not conform to the statutory formula but rather is appropriated annually through superseding budget language.

Section: Commerce, Labor and Industry

*Analyst: Juan C. Rodriguez
Associate Fiscal Analyst*

*Approved: Frank W. Haines III
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 COMMITTEE SUBSTITUTE FOR
SENATE BILL NOS. 393 AND 973**

To the Senate:

Pursuant to Article V, Section I, Paragraph 14 of the New Jersey Constitution, I am returning the Senate Committee Substitute for Senate Bill Nos. 393 and 973 with my recommendations for reconsideration.

This bill codifies the Talent Network Program in the Department of Labor and Workforce Development ("DOLWD"). Through the Talent Network Program, the DOLWD works directly with employers in targeted industry sectors to develop partnerships and leverage opportunities to cultivate a pipeline of talent aligning with the needs of the targeted industries. I commend the bill's sponsors for recognizing the value that a highly productive workforce adds to the State's economy.

My Administration strongly supports workforce development and education programs, such as the Talent Network Program, that assist New Jersey employers with meeting their workforce needs. I am concerned, however, that while this bill would establish a long-term funding commitment for the Talent Network Program, it does not establish a clear and sustainable funding mechanism to both support the minimum \$2 million in annual awards mandated by the bill, and maintain the continued viability of the Workforce Development Partnership Fund ("WDPF"), which provides funding for many of the State's job training efforts.

To be clear, I agree with the bill's sponsors that the Talent Network Program should be prioritized along with the many other programs supported by the WDPF. The WDPF is a key component in the State's commitment to train workers and job seekers and to help individuals move from public assistance to work. The Office of Customized Training, for example, which

currently receives a significant portion of the WDPF dedication, provides matching grants to employers to upgrade the skills of their workforce and provides funding to prepare New Jersey's workforce for emerging industries.

At the same time, however, I am concerned that prescribing a specific minimum annual award to the Talent Network Program could hamper the Department's ability to maintain flexibility in its priorities from year to year. Such flexibility is critical to ensuring that the DOWLD is able to quickly and appropriately respond to the State's evolving workforce needs.

Further, I am advised by the DOLWD that this bill is one of several bills currently pending before the Legislature that promise funding from the WDPF. See, e.g., Senate Bill Nos. 2867, 1887, 3067, 3069; Assembly Bills No. 4141, 4164, 4602, 4654. When considered together, these bills would quickly overextend the WDPF and potentially debilitate the Office of Customized Training in upcoming fiscal years, eventually leading to the diminution or elimination of workforce development programs funded by the WDPF. Requiring a minimum of \$2 million in annual awards could exacerbate this problem.

As I noted last summer when signing the annual State budget law and supporting revenue bills, I was, and continue to be, very pleased to have reached a comprehensive deal with my partners in the Legislature concerning the State's spending plan for Fiscal Year 2019. Our agreed-upon budget for the year ending at midnight on June 30, 2019, satisfies our shared constitutional obligations to enact a single appropriations law governing overall State spending needs for the year, as determined through the legislative process. See Article VIII, Section 2, Paragraph 2 of the New Jersey Constitution. With the

Fiscal Year 2019 budget, we truly began the collaborative process of building a stronger and fairer New Jersey. I look forward to working collaboratively with legislative leadership to ensure that spending commitments are established in a coordinated manner so that we can continue to meet our obligations to the State of New Jersey and its residents now and in the future.

Therefore, I herewith return Senate Committee Substitute for Senate Bill Nos. 393 and 973 and recommend that it be amended as follows:

Page 2, Section 2, Line 41: Delete "a minimum of \$2.0 million in"

Respectfully,

[seal]

/s/ Philip D. Murphy

Governor

Attest:

/s/ Matthew J. Platkin

Chief Counsel to the Governor

Governor Murphy Takes Action on Legislation

06/17/2019

TRENTON – Today, Governor Phil Murphy signed the following bills into law:

S150 (Singleton, Greenstein/Zwicker, Benson, Sumter) - Concerns disclosure requirements by independent expenditure committees.

[Copy of Statement on S150](#)

S393 w/GR (Madden, Singleton/DeAngelo, Murphy, Verrelli) - Establishes Talent Network Program in DOLWD.

S844 w/GR (Turner, Cruz-Perez/Sumter, Mukherji, Pintor Marin, Wimberly) - Establishes a partial return to work TDI program.

S1967 w/GR (Sweeney, Madden/Jasey, Taliaferro, Benson) - Concerns certain workers' compensation supplemental benefits.