

EMPLOYMENT AND JOB CREATION

Scope of the Problem and Indicators of Need

Employment that provides a family-supporting wage provides the foundation for a family's self-sufficiency. For this reason, New Jersey supports a number of programs aimed at growing job opportunities for its residents as well as helping residents find employment and acquire training. Analysis of employment and job creation trends for low-income workers, however, suggests that New Jersey's workforce development system does not always provide the expected financial bedrock for families. In order to be a vibrant state, New Jerseyans looking for work need family-supporting jobs that provide a decent income. In order to provide the foundation for assessing the effectiveness of the state's workforce development policies and programs, the following information looks at the job growth for New Jersey's low-income residents relative to the cost of living in the state. It then profiles the work experiences of the state's poor families, followed by an overview of the labor market experiences of particular populations. Lastly, it discusses unemployment insurance, unemployment trends, job creation and job training efforts within the state.

A significant portion of jobs available in New Jersey pay low wages. Between 2004 and 2014 over half (54%) of projected average annual job openings are expected to be those with low skill requirements and low wages.¹ New Jersey's Department of Labor projects that, by 2012, the five low-skill job categories with the highest projected average annual job openings are expected to be cashiers, with an average hourly wage of \$8.50; retail salespersons at \$12; food preparation and service workers, including fast food workers, at \$7.90; waiters and waitresses at \$8.70; and general office clerks at \$12.10.² Combined, there are expected to be 22,700 annual job openings in these categories.

Earnings from many New Jersey jobs are not high enough to meet basic living expenses without additional assistance. A three-person family with one employed adult, one preschooler and one school-age child, for example, needs \$45,309 annually, or \$21.78 per hour, to cover basic expenses in Middlesex County.³ By contrast, New Jersey's minimum wage, even after the \$1 per hour increase in October 2006, is only \$7.15 per hour. At this rate, a full-time, year-round worker earning the minimum wage would have an annual income of only \$14,872 if they did not receive any additional assistance. While receipt of the state and federal Earned Income Tax Credits (EITC)

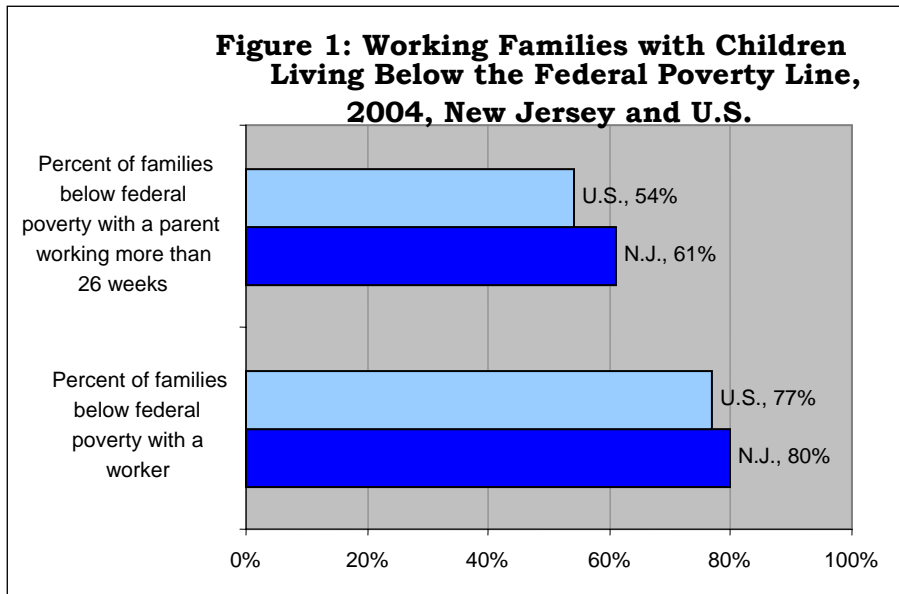
¹ New Jersey Department of Labor and Workforce Development "Projections 2014: New Jersey Employment and Population in the 21st Century: Estimated and Projected Employment By Education and Training Requirements, 2004-2014." May 2006. Labor Market and Demographic Research, Occupational and Demographic Research.

² New Jersey Department of Labor and Workforce Development. "Projections 2012: New Jersey Employment and Population in the 21st Century. February 2005. Division of Labor Market and Demographic Research, p. 18.

³ Pearce, Diana. "The Real Cost of Living in 2005: The Self-Sufficiency Standard for New Jersey." June 2005. The Legal Services of New Jersey Poverty Research Institute.

could add several thousand dollars⁴ to annual income, not all eligible workers receive the benefit and combined income, even with EITC, still falls far below half the real cost of living in many areas of the state.

As it is, 80 percent of families with children lived in poverty in 2004 despite having a worker in the family—a rate higher than the national average (see chart below).⁵ Additionally, 61 percent of families with children living in poverty had a parent working more than part-time.⁶ And yet, a number of the available low-skill jobs in New Jersey, including those mentioned above, are likely to provide only part-time or seasonal work, which frequently fails to support a family’s monetary needs.



Source: Center on Budget and Policy Priorities. 2006. “Poverty Despite Work.”

Labor market experiences also vary for specific populations. In 1999, New Jersey women working full time were earning 75 percent the amount male workers were paid. Women were also 1.6 times more likely than men to earn at or below the federal poverty level.⁷ Immigrants have mixed experiences with the labor market. In 2003, 44 percent of full-time year-round workers who were non-U.S. citizens had earnings below \$25,000, compared to 25 percent for U.S. natives. Median income was also lower for non-U.S. citizens but immigrants who were naturalized citizens had a median income nearly equivalent to the nation’s average.⁸ This suggests that, while having a job is important,

⁴ For families with two children, the maximum federal benefit is \$4,520 a year and the maximum state benefit is 20% of the federal benefit. Since both tax credits are refundable, the benefit can exceed the taxes owed, and therefore can raise total income above gross earnings.

⁵ Center on Budget and Policy Priorities. 2006. “Poverty Despite Work.”

⁶ Center on Budget and Policy Priorities. 2006. “Poverty Despite Work.”

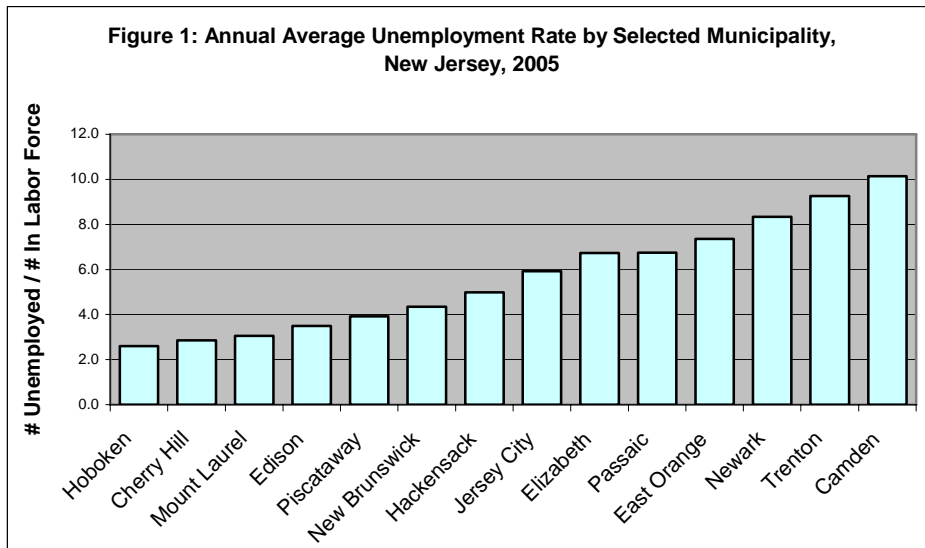
⁷ Institute for Women’s Leadership. Fall 2001. “NJ Women Count.” Rutgers, The State University of New Jersey.

⁸ U.S. Census Bureau. February 22, 2005. “Table 1.10 Total Earnings of Full-Time, Year-Round Workers 15 Years and Over with Earnings by Sex and by U.S. Citizenship Status: 2003.” Current Population Survey, Annual Social and Economic Supplement.

having a good job is paramount, and not all segments of the population have equal access to good-paying employment.

In addition to having a difficult time getting ahead while working, low-wage workers are at particular risk of slipping through the unemployment safety net when they lose a job. Unemployment insurance, a monthly payment that frequently serves to bridge the gap between jobs, is often out of reach for low-income workers because eligibility is restricted to only those individuals with earnings above a certain ‘base amount.’⁹ As such, low-wage and entry-level workers may move in and out of the labor force without acquiring enough income to qualify. This decreases their ability to search for a job that is long-term and higher wage because it increases their need to take the first job that comes along. These factors make it more difficult for low-wage workers to avoid cycling in and out of low-wage jobs. Even those low-wage workers who do qualify for unemployment insurance may find this safety net inadequate, given the challenge of finding another job before the 26 weeks of eligibility for unemployment are completed. New Jersey has a statewide unemployment benefits exhaustion rate of 46.9%, the fourth worst rate in the nation.

The inadequacy of unemployment benefits is even more important because of the number of New Jerseyans who experience unemployment. In May 2006, New Jersey’s unemployment rate was 5 percent, slightly above the national rate of 4.6 percent.¹⁰ As is illustrated in Figure 2, however, unemployment rates vary dramatically across the state. For instance, one in ten members of the labor force in Camden are unemployed, while Hoboken’s unemployment rate is a mere 2.6 percent.



⁹ UI eligibility in New Jersey requires employment in the first four of the last five calendar quarters with 20 or more weeks of work and earnings of at least 20 times the state minimum hourly wage OR earnings at 1,000 times the state minimum hourly wage. Department of Labor and Workforce Development. “Just the Facts 2004.”

¹⁰New Jersey Department of Labor and Workforce Development, Labor Planning and Analysis. <http://www.wnjp.in.net/OneStopCareerCenter/LaborMarketInformation/lmi16/release1.htm>

Source: New Jersey Department of Labor and Workforce Development. May 22, 2006. "Local Area Unemployment Statistics." Labor Planning and Analysis. Benchmark 2005.

It is important to keep in mind that the unemployment rate does not take into account discouraged workers or any resident who is willing and able to work but has not looked for a job in the previous four weeks. As such, the unemployment rate provides only a broad yardstick of the number of persons in New Jersey who would like to work but cannot find work.

As a yardstick, state-wide unemployment rates do reveal vast differences in the employment trends by race and ethnicity. In 1999, unemployment rates for New Jersey's African-American and Hispanic women were 9.9 percent and 7 percent, while the rate for white women was a low 3.9 percent.¹¹

In order to assist New Jersey residents eager to find work, the state must pay close attention to employment and job creation efforts. Two major state initiatives that include significant job creation components are discussed in the final section of this chapter, Abbott School Construction and Urban Enterprise Zones. While job creation is not the exclusive goal of these efforts, they do represent major state investments in job development in lower-income areas of the state. In evaluating their effectiveness, a key factor must be the consideration of whether the jobs created are benefiting the low-income residents of the targeted areas whose employment and income needs have been detailed above.

Job training is another important area that can provide the skills necessary for a low-wage worker to advance into a family-supporting job. The educational level of over 40 percent of all New Jersey residents is limited to a high school diploma or less.¹² Among poor adults, 70 percent have a high school diploma or less and only 18 and 12 percent have some college and a bachelor's degree, respectively.¹³ While over half of all jobs in New Jersey remain low-skill, it is projected that the fastest growing occupations between 2004 and 2014 will require high levels of training and education—at least beyond an associate's degree. It is also notable that the wage gap between highly trained workers and less trained workers has been growing in New Jersey.¹⁴ While many of the state's high wage jobs require a higher level of education than is typical of a majority of the state's poor, targeted job training can bridge the gap by helping low-wage workers retain and find sufficient employment.

¹¹ Institute for Women's Leadership. Fall 2001. "NJ Women Count." Rutgers, The State University of New Jersey.

¹² Author's Analysis of U.S. Census Bureau. 2005. "B15002. Sex By Educational Attainment for the Population 25 Years and Over." 2005 American Community Survey.

¹³ Author's Analysis of U.S. Census Bureau. 2005. "C17003. Poverty Status in the Past 12 Months of Individuals By Educational Attainment." 2005 American Community Survey.

¹⁴ Sheppard, Thomas, and Robert Vaden. "Industry and Occupational Employment Projections for New Jersey: 2004-2014." Division of Labor Market and Demographic Research.

Clearly, state- and local-level changes are needed to help large numbers of New Jersey's workers earn what it takes to cover basic living expenses in our high cost state. In examining the state's various programs that address job training and job creation, it is important to keep in mind the findings regarding low-wage job trends relative to the state's high cost of living and the number of working families in poverty. Data on unequal access to the labor market and issues with the unemployment system, as well as the training and job creation needs of low-wage populations, all provide important insight into the needs to which the state's workforce development system needs to respond.

Employment and Jobs Creation Programs

State-funded and administered employment and job creation services can be divided into three general categories: employment and training programs serving the general population, employment and training programs serving special or vulnerable populations, and job creation programs. The major state programs discussed in this report are listed below.

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Note: Some services related to Employment and Job Creation are also related to other need areas and are addressed under other chapters of this report, including Education, Disability Programs and Services, Income Security, Housing and Shelter, Corrections and Re-entry, and Community and Economic Development. Additionally, due to the expansive nature of issues interacting with employment, some services relevant to people in true poverty are not covered under this report as they are beyond its scope, including anti-discrimination services relating to employment and services addressing family medical leave.

Detailed Program Information

Employment and Training Programs – General Population

Extensive and tailored job training, education and placement are among the most reliable predictors of job attainment, retention and advancement. The federal government enacted the Workforce Investment Act (WIA) in 1998 in an effort to consolidate job training programs into a more coherent and efficient system. This legislation amended the existing federal legislation funding employment services (Wagner-Peyser) and added an additional funding stream for workforce services. WIA requires states to restructure their workforce development systems and requires the establishment of localized Workforce Investment Boards to plan and implement employment and training services through a system of One Stop Career Centers (OSCCs). WIA requires OSCCs to provide a series of tiered employment and training services, including core services, intensive services, and training services. The WIA mandates, and the One Stop system of employment services provide, an essential framework for understanding the various employment and training programs available in the state and for understanding the integration of various funding streams. The OSCC system has also been able to draw down additional federal money over the past several years through a one-time appropriation of Reed Act funds.¹⁵

The state also provides funding for employment services, both from the general fund and through dedicated funding sources (including the Workforce Development Partnership and the Supplemental Workforce Fund for Basic Skills), which are also integrated into the workforce development system along with federal funding. Since the consolidation under the Department of Labor and Workforce Development (LWD) of to-work education and training services for welfare recipients on July 1, 2004, a portion of the funding for WFNJ work activities and training related expenses has also been transferred to the LWD for services in the One Stop system. While much of federal workforce services funding and responsibility flows directly through the local Workforce Investment Boards, the state Department of Labor and Workforce Development maintains oversight responsibility for the workforce system and retains a portion of federal funds for use by the state agency.

The General Population sub-section of this Employment and Job Creations chapter surveys the many broadly focused federal and state training and placement programs with budgetary lines. Those programs applicable to the general worker population precede those targeting particularly vulnerable worker groups. The division of programs into the categories of “general” and “serving vulnerable populations” is somewhat arbitrary, since the identification of employment and training services recipients as vulnerable requires a judgment call. This distinction, nevertheless, is useful in demarcating programs targeted to specific populations.

¹⁵ See discussion under the OSCC description later in this chapter.

Workforce Investment Act (WIA)

Program Purpose and Description:

The federal Workforce Investment Act (WIA) of 1998 is perhaps the most significant single influence on New Jersey's system of providing employment and training services. Not only is it the primary source of federal funding for such services, but it also fundamentally altered the structure of statewide workforce development systems. The act provides the framework for a national workforce preparation and employment system and mandates the general structure of New Jersey's employment and training system as a condition of funding. The purpose of the act is to orient the state workforce development system toward the needs of both businesses and job seekers. In order to receive WIA funding, state employment and training programs must be organized according to these basic premises:

- Training and employment programs must be designed and managed at the local level.
- Customers must be able to conveniently access the employment, education, training, and information services they need at a single location in their neighborhoods.
- Customers should have choices in deciding the training program that best fits their needs and the organizations that will provide those services. They should have control over their own career development.
- Customers have a right to information about how well training providers succeed in preparing people for jobs. Training providers will provide information on their success rates.
- Businesses will provide information and leadership, and play an active role in ensuring that the system prepares people for current and future jobs.

WIA requires that standards for success be established for organizations that provide training services and outlines a system for determining their initial eligibility to receive funds. It establishes a funding mechanism for states and local areas, specifies participant eligibility criteria, and authorizes a broad array of services for youth, adults, and dislocated workers. It also authorizes certain statewide activities and a system of accountability to ensure that customer needs are met. The legislation also authorizes the Workforce Investment System, which establishes local workforce investment boards (WIBs)¹⁶ overseen by the State Employment and Training Commission. New youth councils are also required as a subgroup of the local board to guide the development and operation of programs for youth. States are required to develop five-year strategic plans for the Workforce Investment System.

The act is also significant because of its provisions regarding a variety of other workforce-related programs. It authorizes a number of national programs, including the Job Corps; Native American programs; Migrant and Seasonal Farmworker programs; Veterans' Workforce Investment programs; Youth Opportunity grants for high-poverty

¹⁶ See the program description later in this chapter.

areas; technical assistance efforts to states and local areas; demonstration, pilot, and other special national projects; program evaluations; and National Emergency grants. The New Jersey branches of some of these programs are described in more detail later in this chapter of the report.

The Act also impacts other legislation that authorizes federal funding to states for employment-related services. WIA amends the Wagner-Peyser Act to require that Employment Service/Job Service activities become part of the One Stop system¹⁷ and establishes a national employment statistics initiative. It requires linkages between the Act's programs and Trade Adjustment Assistance and North American Free Trade Agreement Transitional Adjustment Assistance programs. WIA also reauthorizes Adult Education and Literacy programs and the Rehabilitation Act, linking these programs to state and local workforce development systems.

Finally, WIA contains general provisions that include authority for state unified plans relating to several workforce development programs, incentive grants for states exceeding negotiated performance levels under the Workforce Investment Act, Adult Education Act, Perkins Vocational Education Act, and some transition provisions.¹⁸

Budget and Performance Trends:

The departmental line-item budget in the State Budget Book provides very little detail regarding the component parts of the Workforce Investment Act, either in terms of service data or budgetary line items. Some detail regarding service participants is provided in the departmental response to the OLS LWD Budget Analysis, including information regarding the outcomes for WIA participants who exited the program in FY05. Employment rates in the first quarter after exit were 97% for dislocated workers and 95% for other adult participants. Wages also increased for all participants when comparing pre-program to six-months post-program wages: \$3,989 for adults and \$3,492 for youth. The wage replacement rate six months after program exit was 107% for dislocated workers.

The federal revenue sections of the Budget Book and Appropriations Bill provide a more detailed break-down of various WIA-related revenue streams. The most detailed information is available from the Departmental response to the OLS analysis of the departmental budget, including a breakdown of service numbers by populations served. These various sources of information are included in the following tables. There are significant discrepancies between the total funding levels indicated in the state budget materials and the information provided to OLS by the department. In general, the information provided in the departmental response to OLS is considered more reliable than the information included in the Budget Book.¹⁹

¹⁷ See the program descriptions for Wagner-Peyser and One Stop Career Centers later in this chapter.

¹⁸ <http://www.doleta.gov/usworkforce/asp/Runningtext2.htm>.

¹⁹ According to departmental staff, the data presented in response to OLS is based on the most recent data available, which is more current than the data used to develop the evaluation data in the budget book.

Workforce Investment Act Evaluation Data				
	Actual FY04	Actual FY05	Revised FY06	Estimated FY07
Total enrollments	25,202	23,009	22,879	22,150
Total job placements	6,666	6,636	6,600	6,500
Source: State FY07 Budget Book (p. D-261)				

Workforce Investment Act Number of Participants –Schedule II page 1 Evaluation Data			
WIA Program	FY05 Actual	FY06 Projected	FY07 Projected
Dislocated workers training			
Receiving services	7,267	7,300	5,000
Receiving training	4,414	4,414	2,274
Adult training			
Receiving services	5,632	5,600	4,500
Receiving training	3,322	3,322	3,322
Youth training			
Receiving services	8,825	8,800	7,000
Receiving training ²⁰	NA	NA	NA
Source: Department of Labor and Workforce Development Response to Office of Legislative Services Discussion Points in FY07 Budget Analysis			

²⁰ A note on page two of Schedule II indicates that youth receive services but not direct training, therefore this and subsequent charts do not include participation or cost estimates for youth training.

**Workforce Investment Act
Training Costs – Schedule II page 2
Evaluation Data**

	FY05	FY06	FY07
Dislocated workers training			
Total cost per trainee	\$2,052	\$2,243	\$2,243
Direct training costs	\$9,057,528	\$9,900,602	\$5,100,000
Adult training			
Total cost per trainee	\$1,822	\$2,384	\$1,957
Direct training costs	\$6,052,684	\$7,929,648	\$6,500,000

Source: Department of Labor and Workforce Development Response to Office of Legislative Services Discussion Points in FY07 Budget Analysis

Note – Schedule II, page 2, indicates that the administrative funding for WIA is limited to 10% of the total allocation, not indicated in the training cost calculation. It should be noted that this 10% limit is indicated for all fiscal years reported in this schedule, although this contrasts with administrative cost reporting from last year’s departmental schedules. According to for FY06 budget information schedule, the 5% of WIA funding is used for LWD administrative costs and 10% of the funding passed on to the WIBs (60% of the total dislocated worker allocation and 85% of the adult and youth allocation) is used for WIB administration.

**WIA
Schedule 2 (denotes federal revenue)**

	Actual FY05	Estimated FY06	Budget Estimate FY07	Appropriations FY07
Workforce Investment Act ²¹	\$79,310,000	\$79,947,000	\$80,154,000	\$80,154,000
WIA Title IIID Discretionary Funding ²²	\$382,000	\$4,000,000	\$4,000,000	\$4,000,000
Adult & Continuing Education – WIA	\$14,388,000	\$18,343,000	\$18,121,000	\$18,121,000

Source: State FY07 Budget Book (p. C-28, C-29) & FY07 Appropriations Bill S2007 (p. 15-16)

²¹ The figures reported in the FY07 state budget materials for the general federal WIA line-item are significantly higher than the estimates for FY05 and FY06 included in the State FY06 budget materials, and the FY07 budget materials also do not include a line item for “WIA-Title III Dislocated workers” which was included in the FY06 budget materials and approximates the difference in FY07 and FY06 line item estimates for the general WIA line item in the FY07 budget. It is possible that the dislocated worker WIA funding was folded into the general WIA line item reporting for FY07.

²² Note: The FY05 estimate for Title IIID Discretionary funding reported in the FY07 budget materials was significantly higher than the actual allocation reported in the FY07 Budget Book (\$2,957,000 vs. \$382,000).

**Employment and Training Services
Federal Funds
Appropriation Data**

Orig. & --Supple. FY05	Total FY05 Available	Expended FY05	FY06 Adjusted Approp.	Request Recommend FY07	Actual Approp. FY07
\$128,129,000 \$10,045,000 ^S	\$146,632,000	\$126,384,000	\$130,422,000	\$142,537,000	\$142,437,000

Source: State FY07 Budget Book (p. D-264) & FY07 Appropriation Bill S2007 (p. 254)

Note: This DLWD departmental budget combines both WIA funds and other federal funds into one line-item appropriation.

**Workforce Investment Act
Program Allocations – Schedule III page 3
Appropriation Data**

WIA Program	FY06 Allocation	FY07 Allocation
WIA dislocated workers	\$31,300,000	\$20,000,000
WIA adult	\$22,600,000	\$20,000,000
WIA youth	\$23,100,000	\$20,000,000
WIA total	\$77,000,000	\$60,000,000

Source: Department of Labor and Workforce Development Response to Office of Legislative Services Discussion Points in FY07 Budget Analysis

Note – This departmental funding reflects significantly lower levels of funding than those indicated in the state budget materials.

WIA Adult and Dislocated Worker

Program Purpose and Description:

Under WIA, most workforce training services for adults and dislocated workers will be provided through the One Stop system. Workforce services include counseling, recruitment for Job Corps, intake and certification for WIA, job search assistance, referral and placement for General Assistance recipients, and job search to enhance economic development activities.²³ The Act authorizes core services, available to all adults, and intensive services, available to unemployed adults not able to find jobs through core services alone. In some cases, intensive services are available to employed workers who need additional assistance finding or keeping jobs.

Core services²⁴ include: job search and placement assistance; career counseling; labor market information about job vacancies, skills needed for in-demand jobs, and local, regional and national employment trends; initial assessment of skills and needs; and some job retention services. Intensive services²⁵ include: comprehensive assessments; development of individual employment plans; group and individual counseling; case management; and short-term pre-vocational services.

In cases where qualified customers receive intensive services, and are still not able to find jobs, they may receive training services²⁶ directly linked to job opportunities in their local area. These services may include occupational skills training, on-the-job training, entrepreneurial training, skill upgrading, job readiness training, and adult education and literacy activities in conjunction with other training.

If funds are limited, recipients of public assistance and low-income clients are to be given priority for services. The Act also authorizes the provision of supportive services such as transportation and temporary income support to enable participants to remain in training.

Budget and Performance Trends:

While the same services are provided for adults and dislocated workers, there is a separately identified funding stream for dislocated workers. (See the tables on the preceding pages under WIA for evaluation data and appropriation information on services for displaced and dislocated workers.)

²³ State FY06 Budget Book (p. D-249).

²⁴ Core services are also described as tier 1 services provided through the One Stop Career Center, described later in this chapter.

²⁵ Intensive services are also described as tier 2 services provided through the One Stop Career Center, described later in this chapter.

²⁶ Training services are also described as tier 3 services provided through the One Stop Career Center, described later in this chapter.

WIA Youth

Program Purpose and Description:

Low-income youth, ages 14-21, are eligible for services under WIA. A limited number (5%) of youth from higher-income households may receive services if they face certain barriers to school completion or employment. WIA funds are authorized for (1) school dropouts, (2) youth with basic literacy skills deficiency, (3) homeless, runaway, or foster children, (4) pregnant or parenting teenagers, (5) offenders, or (6) other youth needing assistance in completing an educational program or securing and holding a job. Under the program, at least 30 percent of local youth funds must help those who are not in school.

Services are geared toward preparing youth for postsecondary educational opportunities or employment. Programs link academic and occupational learning and service providers must have strong ties to employers. Programs must include tutoring, study skills training and instruction leading to completion of secondary school, including dropout prevention; alternative school services; mentoring by appropriate adults; paid and unpaid work experiences, such as internships and job shadowing; occupational skills training; leadership development; and appropriate supportive services. Youth participants are to receive guidance and counseling, and follow-up services for at least one year, as appropriate.

Programs must provide summer employment opportunities linked to academic and occupational learning. A separate appropriation is not authorized for a summer program. The mix of year-round and summer activities is left to local discretion.²⁷

Budget and Performance Trends:

Funding for WIA Youth programs is included in the federal revenue line-item for WIA. (See the budget information under the description for the Workforce Investment Act on the preceding pages.)

Additional Analysis:

The lack of line-item appropriation data in the state budget materials for the various WIA programs makes it difficult to track spending on the programs targeted to specific populations, including youth. This is particularly disturbing in reference to WIA youth programs because of the unique needs and rights of youth with regard to employment under the WIA system. Youth face particular challenges in engaging the workforce system due to lack of previous employment experience, and many youth are disadvantaged by barriers such as poor literacy and rising high school drop-out rates in some areas. Disabled youth face even greater barriers, although they are legally entitled to educational services up to age 21. The needs and rights of youth with regard to education and training in preparation for employment clearly bear upon the state's

²⁷ <http://www.doleta.gov/usworkforce/asp/Runningtext2.htm>.

obligation to serve this population through targeted programs. These factors also emphasize the state's obligation to provide data that allows advocates to track the state's provision of the required services.

Workforce Investment Boards (WIBs)

Program Purpose and Description:

Workforce Investment Boards (WIBs) are intended to be partnerships of local education, government and business leaders that take a leadership role in designing the workforce development system in their areas. WIBs are established in every county throughout the state, and are overseen by the State Employment and Training Commission (SETC), which is located within LWD. WIBs include local business leaders such as CEOs, human resource executives, training professionals, small business owners and chamber of commerce executives. They also include public sector members such as representatives from the economic development and regional planning departments, county colleges, county vocational/technical schools and boards of social services.

WIBs are political entities empowered to make decisions in the design of the local workforce development system. This design for the local decision-making process is intended to support the delivery of locally appropriate training programs and to assist in accessing funds. In some cases, training is customized to local companies' specific needs in areas such as English as a Second Language or technical and management training. WIBs are also supposed to encourage the participation of local businesses in collaboration with the workforce system, utilize member creativity and expertise in the decision-making processes, network with elected officials and business leaders, develop relationships with community colleges and vocational schools, and provide presentations to the business community on topics such as labor market information.²⁸

Budget and Performance Trends:

WIBs are funded through a variety of revenue sources, including both federal and state funding streams. Some funding is retained by the WIBs for administrative expenses, but a great deal of funding also passes through the WIBs, since they are responsible for oversight of the OSCCs in their areas and pass through both federal and state money for these centers. A significant source of federal funding for both administration and program activities comes through WIA. In past years, the departmental response to the OLS LWD Budget Analysis has included detail regarding the portion of WIA funding passed through and retained by the WIBs. This information was not requested or provided this year. The allocation information from FY06 is included for reference, but no information is available regarding the FY07 allocation.

WIBs are also partially funded through the state Supplemental Workforce Fund for Basic Skills (SWFBS). SWFBS is created through a redirection of a portion of employer and employee contributions otherwise applied to the Unemployment Insurance Trust Fund.²⁹ The state legislation that created the SWFBS created a funding formula

²⁸ <http://www.burlcowib.com/>.

²⁹ Note – The state legislation that created the SWFBS created a funding formula that allocated 28% of SWFBS revenues to the WIBs. Total revenue for the fund is projected to be \$26,830,000 in FY06 (State Budget Book, p. H-32).

that allocated 28% of SWFBS revenue to the WIBs, which would equal \$7,783,440 in FY07.³⁰ At least a portion of this funding, however, is diverted each year to offset the cost of basic skills education at county colleges. In FY07, this diversion equals \$14 million, which is equal to the funding diversion in FY06.³¹ It is not clear whether this funding proportionally reduces the allocations set in the funding formula or whether an alternative calculation is used to set funding for the WIBs.

Additional funding, including Vocational Rehabilitation funds and WENJ administrative funding for co-location of staff, also passes through the WIBS, but no data is available regarding the amount of this funding or whether any administrative funding is retained by the WIBs.

WIB Funding from the Workforce Investment Act Schedules 1b and 1c³² Evaluation Data				
WIA Program	% WIA Funds Transferred to WIBs	WIB Allocation FY06		
		Total WIB Allocation	Administrative Allocation	Program Activities Allocation
WIA Dislocated worker	60%	\$11,280,000	\$1,128,000	\$10,152,000
WIA adult	85%	\$16,320,000	\$1,632,000	\$14,688,000
WIA youth	85%	\$16,660,000	\$1,666,000	\$14,994,000
Total WIB Funding from WIA	N/A	\$44,260,000	\$4,426,000	\$39,834,000
Source: Department of Labor and Workforce Development Response to Office of Legislative Services Discussion Points in FY06 Budget Analysis				

Note – The Program Activities Allocation that goes to the WIBs appears to support services provided through the One Stop Career Centers, rather than the functioning of the WIBs themselves.

³⁰ Calculations by author based on revenue reported in Appendix 1A of the State FY06 Budget Book (p. H-32).

³¹ Note, the Governor’s budget recommended reducing this diversion to \$8 million, but the Appropriations Bill includes line-item funding for county colleges of \$14 million from the Supplemental Workforce Fund for Basic Skills (p. 191)

³² Calculations by author, from Schedule 1b notes of percentage allocation and Schedule 1c allocation data.

Workforce Development Partnership (WDP) & Smart Steps

Program Purpose and Description:

The Workforce Development Partnership Program (WDP) provides state funding for various programs providing employment counseling, job search assistance and employment training to certain unemployed and underemployed workers. The largest share of training is provided through customized training grants,³³ which provide subsidies for employers to provide training for their employees. Training must be designed to sustain employment and make the workforce more competitive. In practice, these grants primarily function as wage subsidies and are generally underutilized, with large amounts of annual un-spent funds each year. A smaller portion of the WDP funding is available for individual training grants (ITAs), which provide up to \$4,000 directly to workers who are either displaced or classified as disadvantaged. WDP funding is also allocated to a number of smaller programs, as well as being transferred to other employment-related services, primarily employment and training services for welfare recipients.

Beginning in FY05, a new Supplemental Workforce Development Benefits program (Smart Steps) has been created under WDP.³⁴ Participants in the Smart Steps program can receive assistance similar to Work First New Jersey assistance if they are full-time students in approved education programs and dependent care responsibilities would make it too difficult to successfully participate in both education and work activities.³⁵ Benefits provided through the program include income assistance, subsidized childcare, and transportation assistance, but the program does not provide funding to cover the costs of the education or training programs. Participants are entitled to assistance with securing grants and loans through the OSCC. The authorizing legislation caps the program at 1,500 participants, but departmental estimates for FY05 and FY06 reflect much lower numbers of people receiving benefits.

Budget and Performance Trends:

Funding for WDP comes from a portion of worker and employer payroll taxes on all wages subject to unemployment insurance taxes, as well as a small amount of investment earnings. Total WDP revenue anticipated in FY06 is \$97 million. The state budget materials include total revenues and expenditures for the fund under the special revenue funds section, but do not list line-item appropriations for all programs elements. Two small line items are reported separately in both the revenue and departmental budget

³³ Note – 38% of the \$27,798,000 in revenue to the SWFBS fund is supposed to go to the Office of Customized Training (see the note under the discussion of Workforce Investment Boards earlier in this chapter for details regarding diversions from this fund to provide grants to community colleges). Since this funding is separate from the WDP, it is not presented in the following tables. It is unclear whether the state budget materials include this funding in the evaluation data presented for customized training grants.

³⁴ This program was created as a part of the larger reorganization of the Work First New Jersey program passed into law on June 23, 2004; P.L. 2004, c. 39.

³⁵ While participants are eligible for parallel benefits to WFNJ-TANF, their time in the program does not count toward the cumulative 60 month lifetime limit imposed on TANF benefits under federal law.

sections of the state budget materials (WDP – Counselors and WDP Program). It appears that these two elements of WDP funding are required to be reported separately and they are included in the following tables, but they are not significant portions of the WDP funding.

Some information regarding budgetary transfers from the WDP fund is also included in language in the Budget Book and Appropriations Bill. Two notes indicate that portions of line-item appropriations are to be funded from WDP allocations, \$8.19 million of the \$19.19 million line item for Work First New Jersey Work Activities,³⁶ and \$1.85 million of the \$3.048 million line item for New Jersey Youth Corps.³⁷ In addition to the line-item appropriations, the budget materials authorize up to another \$25.5 million for WDP for Work First New Jersey Work Activities and Work First New Jersey Training Related Expenses within LWD.³⁸ Language also appropriates \$20 million for Work First New Jersey Support Services, which refers to funding previously referred to as Work First New Jersey Training Activities within the DHS budget materials.³⁹

Additional evaluation data and budget detail are available from departmental materials provided in response to OLS questions regarding the departmental budget proposal. These data reflect more recent estimates than those provided in the State Budget Book. The departmental response also provides information regarding outcomes of the occupational skills training for dislocated workers funded through WDP in FY05, indicating that 95% of exiters were employed in the first quarter, and 92% were still employed after three quarters.

³⁶ State FY07 Budget Book (p. D-264, -265) and Appropriations Bill S2007 (p. 139). Prior to FY07 the entire line item for WFNJ Work Activities in the LWD Budget was funded entirely by WDP transfers, but the FY07 budget includes \$11 million in transfer of from DHS for to-work case management system, which is now incorporated into this line item.

³⁷ State FY07 Budget Book (p. D-264,-265) and Appropriations Bill S2007 (p. 139).

³⁸ State FY07 Budget Book (p. D-265) and Appropriations Bill S2007 (p. 137).

³⁹ State FY07 Budget Book (p. D-265, -241) and Appropriations bill S2007 (p. 127).

Workforce Development Partnership Project Evaluation Data				
	Actual FY04	Actual FY05	Revised FY06	Estimated FY07
Employment Services				
Job openings received	97,610	112,257	114,500	117,900
Individuals placed	9,201	8,111	8,200	8,200
Individuals counseled	35,077	41,108	41,900	43,200
Customized training grants	\$22,900,000	\$22,500,000	\$23,000,000	\$23,000,000
Individuals trained	47,137	38,146	50,000	50,000
Cost per individual	\$485	\$590	\$460	\$460
Companies served	220	404	420	430
Individual training grants – displaced workers	\$14,500,000	\$12,700,000	\$14,000,000	\$10,900,000
Individuals trained	5,039	4,233	4,375	3,303
Cost per individual	\$2,877	\$3,000	\$3,200	\$3,300
Source: State FY07 Budget Book (p. D-261)				

Note – The information in this chart listed under “Employment Services” duplicates evaluation data presented under Employment Services (Wagner-Peyser) later in this section, as both WDP funding and federal Wagner-Peyser funding is used to provide Employment Services. The data for Customized Training Grants may also include services funded through the SWFBS.

Workforce Development Partnership Program Number of Trainees –Schedule II Evaluation Data			
WDP Program	Actual FY05	FY06 Projected	FY07 Projected
ITAs for dislocated/disadvantaged workers	4,007	4,000	4,000
Customized training grants	38,146	40,000	47,000
Occupational health and safety training	14,475	13,216	14,600
Youth Transitions to Work	2,118	1,200	2,100
Supplemental Workforce Development Benefits*	7,550	10,300	11,411
Source: Department of Labor and Workforce Development Response to Office of Legislative Services Discussion Points in FY07 Budget Analysis			

*Note – The participation levels for Supplemental Workforce Development Benefits are much higher than participation in the Smart Steps program. It is unclear what other program is included in this reporting

**Workforce Development Partnership Program
Training Costs – Schedule II page 2
Evaluation Data**

	FY05	FY06	FY06
ITAs - dislocated/ disadvantaged workers			
Total cost per trainee	\$3,041	\$2,556	\$2,600
Direct training costs	\$12,398,157	\$10,232,000	\$11,200,000
Customized training grants			
Total cost per trainee	\$590	\$326	\$511
Direct training costs	\$22,506,140	\$13,040,000	\$26,017,000
Occupational safety and health training			
Total cost per trainee	\$129	\$145	\$134
Direct training costs	\$1,867,275	\$1,916,320	\$1,913,000
Youth transitions to work			
Total cost per trainee	\$1,298	\$2,110	\$1,236
Direct training costs	\$2,749,164	\$2,532,000	\$2,599,800
Supplemental workforce development benefits			
Total cost per trainee	\$496	\$577	\$666
Direct training costs	\$3,744,800	\$5,943,100	\$7,600,000

Source: Department of Labor and Workforce Development Response to Office of Legislative Services Discussion Points in FY06 Budget Analysis

New Jersey Workforce Development Partnership Fund Special Revenue Funds			
	Actual FY05	Estimated FY06	Estimated FY07
Fund Balance July 1	\$62,567,000	\$67,631,000	\$63,455,000
Total Revenues	\$91,187,000	\$94,490,000	\$99,050,000
Total Available	\$153,754,000	\$162,121,000	\$162,505,000
Total Expenditures	\$44,690,000	\$45,900,000	\$45,900,000
Transfers to other funds	\$41,433,000	\$52,766,000	\$42,766,000
Total expenditures and other financing uses	\$86,123,000	\$98,666,000	\$88,666,000
Fund Balance June 30	\$67,631,000	\$63,455,000	\$73,839,000
Source: FY07 Budget Book (p. H-27)			

Note – Although the budgeted figure for transfers in the above table does not clearly correlate with designated transfers in the state budget materials to DHS, a significant portion of WDP funding has historically been transferred to DHS for costs related to the Work First New Jersey program.

Workforce Development Partnership Fund Schedule 1 – Interfund Transfer (denotes revenue transferred to the general fund)			
Actual FY05	Estimated FY06	Estimated FY07	Appropriation FY07
\$13,570,000	\$17,266,000	\$17,266,000	\$17,266,000
Source: FY07 Budget Book (p. C-17) & FY07 Appropriation Bill S2007 (p. 8)			

Workforce Development Partnership Schedule 2 (denotes dedicated revenue)			
	Actual FY04	Estimated FY06	Estimated FY07
Workforce Development Partnership - counselors	---*	\$770,000	\$770,000
Workforce Development Partnership Program	---*	\$1,384,000	\$1,384,000
Source: FY07 Budget Book (p. C-21)			

* Note - The reporting of no funding for FY05 appears to be an accounting function associated with the fund shifting that occurs in WDP, since past budget books reflect the same pattern of reporting no funding in the “actuals” column although the budget bill for the relevant fiscal year had appropriated a small funding allocation.

Workforce Development Partnership Program Direct State Services Appropriations Data						
	Orig. & --Supple. FY05	Total FY05 Available	Expended FY05	FY06 Adjusted Approp.	Request Recommend FY07	Actual Approp. FY07
WDP Program	\$1,909,000	\$2,009,000	\$2,009,000	\$1,909,000	\$1,909,000	\$1,909,000
WDP – counselors	\$81,000	\$999,000	\$920,000	\$81,000	\$81,000	\$81,000
Source: State FY07 Budget Book (p. D-263) and State FY07 Appropriations Bill S2007 (p. 137)						

Note – This funding represents a portion of the state’s administrative costs for running the WDP program (the only costs for which the budget materials provide detailed line-item appropriations), but does not include some staffing costs or administrative costs associated with other specific program elements. These expenditure lines do not match the information for the same funding categories provided in the revenue section of the Budget Book, and it appears that these funding categories undergo the same type of fund shifting that occurs in the larger WDP funding categories.

Workforce Development Partnership Program Program Allocations – Schedule II page 3 Appropriation Data		
WDP Program	FY06 Allocation	FY07 Allocation
ITAs for dislocated workers	\$12,700,000	\$15,365,000
ITAs for disadvantaged workers	\$3,100,000	\$3,600,000
Customized training grants	\$23,000,000	\$28,000,000
Occupational safety and health training	\$1,500,000	\$1,800,000
Youth Transitions to Work	\$2,600,000	\$3,000,000
Supplemental Workforce Development Benefits	\$15,000,000	---
Source: Department of Labor and Workforce Development Response to Office of Legislative Services Discussion Points in FY07 Budget Analysis		

Additional Analysis:

The funding available through WDP for employment services can be difficult to follow in the budget materials for several reasons. The first is that the departmental budget appropriations, provided in the State Budget Book and Appropriations Bill, combine revenue from several sources into the “employment services” line items, making it difficult to differentiate what portion of the appropriation is funded through WDP. Some specific line items are identified as WDP, but this level of detail is inconsistent. Where available, this detail is included in the preceding tables with explanatory notes. More detailed information is generally available from the departmental response to OLS

questions and this information is also presented in the preceding tables. Where possible, notes are included explaining discrepancies between these departmental figures and figures presented in the state budget materials.

There are additional complicating factors that require more explanation than is possible in notes. The statute that created WDP (P.L. 2001, c.152) includes an allocation formula, indicating the percentage of each year's WDP program allocation that is to be allocated to each category of spending within the program. This allocation formula is as follows: Administration (10.5%), Individuals grants (25%), Disadvantaged workers (6%), Customized training (45%), Occupational safety and health (3%), Youth transitions to work (5%), Unallocated (5.5%). Although allocations are assigned according to this formula, actual expenditures vary for two primary reasons. First, when program expenditures vary from allocations, balances are transferred between program elements each year as allowed by language in the Budget Bill. For instance, customized training grants have been historically underutilized. If a larger balance were allowed to accumulate in this funding category, a statutory provision would require that all balances greater than 20% of the yearly allocation be diverted back into the UI Fund, meaning that the funding would be lost to employment and training services. By transferring the funding to another spending category, it can be used to fund employment and training expenditures. The second complication relates to this transferring function. The freedom to transfer funds has been used to divert a significant portion of WDP revenues from all funding categories to fund to-work activities for welfare recipients, which may be administered either by DHS or LWD. These transfers are noted in language in the Budget Book and Appropriations Bill and are described in the preceding discussion. The following table provides a detailed breakdown of the allocation and expenditure of WDP funding for FY05-FY07. As indicated, allocations for each funding category follow the allocation formula (percentage indicated in parentheses), but expenditures for each category may be significantly lower due to diversion of funds to to-work activities.

**Workforce Development Partnership Program
Program Allocations – Schedule III
As of June 30, 2006**

	FY05 Actual	FY06 Estimated	FY07 Estimated
Beginning balance	\$62,566,804	\$67,717,740	\$68,777,740
Allocation	\$91,274,000	\$96,600,000	\$97,000,000
<i>Admin. (10.5%)</i>	<i>\$9,583,770</i>	<i>\$10,143,000</i>	<i>\$10,185,000</i>
<i>Individual grants (25%)</i>	<i>\$22,818,500</i>	<i>\$24,150,000</i>	<i>\$24,250,000</i>
<i>Disadvantaged workers (6%)</i>	<i>\$5,476,440</i>	<i>\$5,796,000</i>	<i>\$5,820,000</i>
<i>Customized training (45%)</i>	<i>\$41,073,300</i>	<i>\$43,470,000</i>	<i>\$43,650,000</i>
<i>OSHA (3%)</i>	<i>\$2,738,220</i>	<i>\$2,898,000</i>	<i>\$2,910,000</i>
<i>Youth transitions to work (5%)</i>	<i>\$4,563,700</i>	<i>\$4,830,000</i>	<i>\$4,850,000</i>
<i>Unallocated (5.5%)</i>	<i>\$5,020,070</i>	<i>\$5,313,000</i>	<i>\$5,335,000</i>
Expenditures	\$86,123,064	\$95,540,000	\$100,350,000
<i>Admin.</i>	<i>\$7,499,482</i>	<i>\$6,400,000</i>	<i>\$5,810,000</i>
<i>Individual grants</i>	<i>\$12,680,581</i>	<i>\$12,700,000</i>	<i>\$20,000,000</i>
<i>Disadvantaged workers</i>	<i>\$102,534</i>	<i>\$3,100,000</i>	<i>\$4,800,000</i>
<i>Customized training</i>	<i>\$14,149,471</i>	<i>\$22,840,000</i>	<i>\$25,700,000</i>
<i>OSHA</i>	<i>\$907,668</i>	<i>\$2,100,000</i>	<i>\$2,750,000</i>
<i>Youth transitions to work</i>	<i>\$2,918,418</i>	<i>\$2,600,000</i>	<i>\$3,000,000</i>
<i>Unallocated</i>	<i>---</i>	<i>\$2,800,000</i>	<i>\$4,550,000</i>
<i>Portion diverted to to-work activities (% of total)</i>	<i>\$47,864,910 (55.6%)</i>	<i>\$43,000,000 (45.0%)</i>	<i>\$33,740,000 (33.6%)</i>
<i>Encumbrances (non-add)</i>	<i>\$61,000,000</i>	<i>\$62,000,000</i>	<i>\$57,000,000</i>
Ending balance	\$67,717,740	\$68,777,740	\$65,427,740
Source: Department of Labor and Workforce Development Response to Office of Legislative Services Discussion Points in FY07 Budget Analysis			

Note – The encumbrances line represents funding not actually spent during the indicated fiscal year, but which is committed as a reserve for future payments of multi-year grants. These amounts are provided for information purposes, but are not included in calculation of ending balances.

Another complication in understanding the funding for training services available through WDP is the matching function of customized training grants. The portion of WDP funding that finances customized training grants generates matching funds from the private sector through the contributions of participating employers. The State FY07 & Budget Book includes language indicating the additional funding generated through this mechanism in FY05 and FY06, as well as the number of participating workers and employers in FY05, FY06 and FY07.

WDP Customized Training Grants			
	Actual FY05	Projected FY06	Projected FY07
State customized training grants	\$22,500,000	\$23,000,000	\$23,000,000
Approximated employer match	\$39,300,000	\$29,600,00	n/a
Workers trained	38,146	50,000	50,000
Participating employers	404	420	430
Source: State FY07 Budget Book (p. D-251)			

Another budgetary detail requiring fuller explanation is the funding for the Smart Steps program (a.k.a. the Supplemental Workforce Development Benefits program). Funding for this program is provided through the 6% disadvantaged worker training grants allocation, approximately \$5.8 million, according to the OLS analysis of the departmental budget. This allocation is subject to the same transferring process described above and the actual funding for the program, as indicated in the Schedule III table, is \$4.8 million for FY07. Also, language in the appropriation bill (p. 139) allows up to 15% for administrative costs of the program, which is not a portion of the \$10.2 million administrative budget allocation for WDP as a whole (10.5% of the total). This funding information represents an increase in funding for Smart Steps in FY07, although no related increase in enrollment has been announced. Information from schedule II of the departmental data suggests that this increase may be related to a change in what services are being reported in the Supplemental Workforce Development Benefits category. In past years, this reporting has reflected the Smart Steps program, but in the FY07 schedules the participation numbers are dramatically higher, while the costs per trainee are dramatically lower. The FY06 projections reported last year were for 553 trainees at a direct training cost of \$5,596 per trainee, whereas in the FY07 schedules FY06 is reported as having a projected 10,300 trainees at a direct training cost of \$577 per trainee. This comparison suggests that the SWDB reporting category now includes additional training services beyond Smart Steps. It is not clear whether Smart Steps is still included in this category, and program participation or cost information is not available for FY07 given this change in the reporting.

Employment Services (Wagner – Peyser)

Program Purpose and Description:

The Wagner-Peyser Act of 1933 established a nationwide system of public employment offices, known as the Employment Services. The act was amended in 1998 with the passage of WIA to make Employment Services, and the associated federal funding, part of the One Stop services delivery system.⁴⁰ Employment Services are variously referred to as Employment Security Commission, Job Service, One Stop Career Center, or Workforce Development Center.

As part of the One Stop service delivery system, Employment Services focus on providing employment-related labor exchange services, including job search assistance, job referral, and placement assistance for job seekers, re-employment services to unemployment insurance claimants, and recruitment services to employers with job openings. Services are delivered in one of three modes: self-service, facilitated self-help services and staff-assisted service delivery approaches. Depending on the needs of the labor market, other services such as job seeker assessment of skill levels, abilities and aptitudes, career guidance, job search workshops and referral to training may be available.

Job seekers are referred to available job openings posted by employers, and employers may also receive additional services, including assistance in the development of job order requirements, matching job seeker experience with job requirements, skills and other attributes, assisting employers with special recruitment needs, arranging for job fairs, assisting employers in analyzing hard-to-fill job orders, assisting with job restructuring and helping employers deal with layoffs.

Job seekers who are veterans receive priority referral to jobs and training as well as special employment services and assistance. In addition, the system provides specialized attention and service to individuals with disabilities, migrant and seasonal farm-workers, ex-offenders, youth, minorities and older workers.⁴¹ Wagner-Peyser specifically authorizes a number of federally funded target employment services programs, including Alien Labor Certification, Disabled Veterans Outreach Program, and the Trade Act Program.⁴²

Budget and Performance Trends:

The State Budget Book combines both federal Wagner-Peyser funds and state WDP funds under the same program classification of “Employment Services.” The employment services evaluation data therefore includes services funded through both funding streams, except where distinguished as serving a specific population (as with the

⁴⁰ See the following description under One Stop Career Centers later in this chapter.

⁴¹ <http://www.uses.doleta.gov/wp.asp>.

⁴² State FY06 Budget Book (p. D-249). Note: The Trade Adjustment Assistance Act is discussed later in this section of the report.

Disabled Veterans Outreach programs). This information is presented under the descriptions of both programs in this chapter.

Employment Services Evaluation Data				
	Actual FY04	Actual FY05	Revised FY06	Estimated FY07
Job openings received	97,610	112,257	114,500	117,900
Individuals placed	9,201	8,111	8,200	8,200
Individuals counseled	35,077	41,108	41,900	43,200
Disabled Veterans Outreach Program				
Veterans placed	948	1,025	1,100	1,150
Veterans counseled	1,701	1,832	1,900	1,900
Source: State FY07 Budget Book (p. D-261)				

Note – The information in this chart, with the exception of the disable Veteran Outreach Program data, duplicates evaluation data presented under the WDP program earlier in this section.

Employment Service (Wagner – Peyser) Schedule 2 (denotes federal revenue)				
	Actual FY05	Estimated FY06	Budget Estimate FY07	Appropriations FY07
Disabled Veterans Outreach Program	\$2,399,000	\$2,500,000	\$2,658,000	\$2,900,000
Employment Services	\$16,806,000	\$22,930,000	\$25,902,000	\$25,902,000
Employment Services – One Stop Shopping	\$180,000	\$325,000	\$325,000	\$325,000
Employment Services Cost Reimbursable Grants – Migrant Housing	\$32,000	\$50,000	\$50,000	\$50,000
Employment Services Grants – Alien Labor Certification	\$1,274,000	\$2,321,000	\$2,403,000	\$2,403,000
ES Reemployment Services	\$689,000	\$1,100,000	\$1,100,000	\$1,100,000
Source: State FY07 Budget Book (p. C-28) & FY07 Appropriation Bill S2007 (p. 15)				

One Stop Career Centers (OSCC)

Program Purpose and Description:

The One Stop Career Center (OSCC) system is the access point for customers to the employment and training services funded by the various funding streams already discussed. Services are provided through a three-tiered system that targets more intensive services to the most disadvantaged customers.⁴³ Core services, which are available to everyone, include both self-help and counseling services related to job search, work-related training, placement and retention. OSCCs also provide workers with the opportunity to access the Workforce New Jersey Public Information Network (WNJPIN) on the internet. This system allows individuals to explore career options, and access labor market data, enter resumes on-line on America's Talent Bank, and search for jobs on America's Job Bank. The system also provides services to employers by enabling them to list their job openings on America's Job Bank, search nearly 12,000 resumes for New Jersey workers on America's Talent Bank, and access labor market information.⁴⁴ More intensive services for individuals, including some training, are available for tier 2 and tier 3 customers who are unable to find employment through the core services.

In 2004, New Jersey transitioned responsibility for most of the work activities aspect of the Work First New Jersey program from the Department of Human Services to the Department of Labor and the OSCC. Although specific plans for integration of services must be developed through the local WIBS, all plans must include employment-directed case management services through the One Stop system in collaboration with the social service case management to be maintained through the welfare system.

Budget and Performance Trends:

The One Stop system is funded through a variety of sources. The majority of funding comes through WIA (via the WIBs), described previously in this report, and is not broken out in line item detail in state budget materials. Some funding is also provided through Wagner-Peyser Employment Services and Workforce Development Partnership state revenues, also described in this report. A small portion of funding for OSCC is also supplied through the state's Supplemental Workforce Fund for Basic Skills (SWFBS). According to the allocation formula in the authorizing legislation, this funding would equal 24% of total revenues or \$6,671,520 in FY07,⁴⁵ but a significant portion of SWFBS funds are diverted each year to fund community colleges.⁴⁶

In addition to these revenue streams for administrative and service costs, additional revenue has been appropriated from federal Reed Act funds over the past five

⁴³ See the description of core, intensive, and training services under WIA Adult and Dislocated Workers earlier in this chapter.

⁴⁴ http://www.state.nj.us/labor/press/one_stop.html.

⁴⁵ Calculation by author from revenue reported for the SWFBS in FY07 in the State Budget Book (p. H-32).

⁴⁶ See the discussion in the budget and performance trends section under Workforce Investment Boards in this chapter.

fiscal years (FY03-FY07) for continuing development of OSCC offices, in addition to modernizing the Unemployment Insurance benefit payment system and upgrading technology investments. Language in the state budget materials indicates a total authorization of \$10 million in FY07 for these combined expenses.⁴⁷ No detail is available regarding the division of yearly authorized spending levels between these three cost centers, but only a portion of the total funding should be understood to fund OSCC office development. The FY07 appropriation brings the five-year total authorization to approximately \$140 million of the total \$242.8 million authorized by the Reed Act in 2001.⁴⁸

Reed Act Improvements			
Funds made available in budgetary language			
Appropriated FY04	Appropriated FY05	Appropriated FY06	Appropriated FY07
\$30,000,000	\$32,500,000	\$30,000,000	\$10,000,000
Source: FY04 Appropriation Bill S3000 (p. 126); FY05 Appropriation Handbook (p. B-119); FY06 Appropriation Bill S3000 (p. 247); FY07 Appropriation Bill S2007 (p.1360)			

Note – As Reed Act funds are allocated in budget language only and the state budget materials do not include historical trend data reflecting actual expenditures, the preceding table indicates funding authorization data for previous years rather than actual expenditure data. The total authorization, however, matches language in the OLS departmental budget analysis that reports a 5-year authorization of approximately \$140 million.

⁴⁷ State FY07 Budget Book. p. D-259; FY07 Appropriations Bill S20070, p. 136.

⁴⁸ OLS Departmental Budget Analysis, p. 9.

Vocational Education (Perkins Act)

Program Purpose and Description:

The Carl D. Perkins Vocational and Technical Education Act was passed in 1998 to fund vocational and technical education programs in high schools and community colleges. The programs funded under this act are intended to assist participants in gaining both the education and skills that are needed to succeed in the developing workforce. A primary goal for these programs is to join education with skill acquisition in order to develop academic, occupational and technical abilities in participants, since all are needed in the evolving workforce environment.

The majority of vocational education programs in New Jersey are administered under the Department of Education (DOE), and the department funds both local school districts and county vocational programs. DOE provides consultation, technical assistance, and regulatory services to public and private educational agencies. School districts may receive funding for new and innovative programs or for the improvement of existing vocational programs that provide full participation to special populations. Aid is paid to county vocational schools on a per pupil basis for all pupils enrolled in the district. In order to qualify for the federal funds, the state must provide a dollar for dollar match, and demonstrate maintenance of effort equal to the prior year.⁴⁹ As part of the consolidation of workforce education and training services under LWD in FY05, the vocational education apprenticeship program was transferred to LWD. This information regarding Vocational Education programs is also discussed in the Education chapter of this report.

Budget and Performance Trends:

General Vocational Education – Secondary Vocational Education Evaluation Data				
	Actual FY04	Actual FY05	Revised FY06	Budget Est. FY07
Annual enrollments	104,873	121,200	140,069	161,875
Annual graduates or completions	28,438	32,680	37,555	43,156
Annual grade 11-12 occupational program enrollments	53,617	61,026	69,459	79,058
Source: State FY07 Budget Book (p. D-102)				

Note: This evaluation data is duplicated under the discussion of Vocational Education (Perkins Act) in the Education chapter of this report

⁴⁹ State FY06 Budget Book, p. D-89.

General Vocational Education Appropriations Data						
	Orig. & --Supple. FY05	Total FY05 Available	Expended FY05	FY06 Adjusted Appropriation	Request/ Recommend FY07	Actual Approp. FY07
Total state approp.	\$44,085,000	\$44,043,000	\$44,043,000	\$44,074,000	\$44,074,000	\$44,074,000
<i>Direct State Services</i>	\$277,000	\$235,000	\$235,000	\$266,000	\$266,000	\$266,000
<i>State Aid - Vocational Ed. (general fund)</i>	\$4,860,000	\$4,860,000	\$4,846,000	\$4,860,000	\$4,860,000	\$4,860,000
<i>State Aid - County Voc. Program Aid (property tax relief fund)</i>	\$38,948,000	\$38,948,000	\$38,948,000	\$38,948,000	\$38,948,000	\$38,948,000
Federal funds	\$26,363,000	\$29,129,000	\$25,511,000	\$26,620,000	\$25,767,000	\$26,650,000
Other funds	---	\$555,000	\$397,000	---	---	---
Grand Total All Funds	\$70,448,000	\$73,727,000	\$69,951,000	\$70,694,000	\$69,841,000	\$70,724,000
Source: State FY07 Budget Book (p.D-103) & FY07 Appropriations Bill S2007 (p. 59, 240)						

Note: This appropriation data is duplicated under the discussion of Vocational Education in the Education chapter of this report

Trade Adjustment Assistance (TAA)

Program Purpose and Description:

The Trade Adjustment Assistance (TAA) program is a federal program established under the Trade Act of 1974, and amended under WIA. The TAA program provides aid to workers who lose their jobs or whose hours of work and wages are reduced as a result of increased imports. Workers whose employment is adversely affected by increased imports may apply for TAA. TAA offers a variety of benefits and reemployment services to help unemployed workers prepare for and obtain suitable employment. Workers may be eligible for training, job search and relocation allowances, income support and other reemployment services.

The TAA program emphasizes retraining and reemployment services tailored to meet the needs of individual workers. Major activities and services include:

- Training for employment in another job or career. Workers may receive up to 104 weeks of approved training in occupational skills, basic or remedial education, or training in literacy or English as a second language.
- Income Support. Trade Readjustment Allowances (TRAs) are weekly cash payments available for 52 weeks after a worker's unemployment insurance compensation (UI) benefit has been exhausted and during the period in which a worker is participating in an approved full-time training program. Income Support combines UI and TRA benefits for a maximum of 78 weeks (26 weeks for UI and 52 weeks for TRA).
- Job Search Allowance may be payable to cover expenses incurred in seeking employment outside normal commuting areas.
- Relocation Allowances provide reimbursement for approved expenses for workers successful in obtaining employment outside their normal commuting areas so that they can relocate to new areas of employment.

The TAA program is administered by the Employment and Training Administration of the U.S. Department of Labor. States serve as agents to the federal Labor Department in administering the TAA program.⁵⁰

Budget and Performance Trends:

TAA			
Schedule 2 (denotes federal revenue)			
Actual FY05	Estimated FY06	Budget Estimate FY07	Actual Approp. FY07
\$1,521,000	\$4,000,000	\$4,121,000	\$4,121,000
Source: FY07 State Budget Book (p. C-28) & FY07 Appropriations Bill S2007 (p. 15)			

⁵⁰ <http://www.doleta.gov/programs/factsht/taa.htm>.

Employment and Training Programs – Vulnerable Populations

Recognition that certain worker groups face specific barriers to employment and require more particularized and intensive training services guides many of the general job training programs described in the previous subsection of this report. One prime example is the three-tiered service structure of WIA and OSCCs, which serve a general population with core services and provide more intensive services to individuals with specialized needs.

In addition to distinctions made within general training programs, other programs exclusively address particular barriers or vulnerable worker groups. The programs in this subsection target the barriers of particularly vulnerable workers. Individuals with unique needs for employment and training may include youth, women, immigrants, and people with disabilities. Examples of situations where barriers may occur include those of a single parent participating in the welfare program or a newly released ex-offender searching for work. Multiple employment barriers for many low-wage workers are exacerbated by New Jersey's lagging minimum wage and high cost of living.

Work Activities through Work First New Jersey (WFNJ)

Program Purpose and Description:

Work First New Jersey (WFNJ) was initiated in April 1997 as the New Jersey state welfare program under the 1996 federal welfare reform law. WFNJ includes two programs: Temporary Assistance to Needy Families (TANF) for families with children and General Assistance (GA) for single adults and childless couples.⁵¹ Under the WFNJ program, recipients receive cash income support benefits for a cumulative maximum of 5 years,⁵² as well as a number of work supports, including childcare and transportation. Benefits are contingent upon participation in the required program elements, including cooperation with child support requirements and participation in approved work activities unless deferred or exempt.

Unless unable to participate due to medical conditions or similar circumstances, WFNJ recipients must engage in work activities up to 40 hours per week (30 hours for GA) as a condition of receiving cash assistance.⁵³ Once found eligible for assistance, applicants for assistance are screened for deferral categories⁵⁴ and barriers to work and are then referred to the local OSCC for employability assessment.⁵⁵ WFNJ participants must complete, with their case managers, Individual Responsibility Plans (IRP) identifying the work activities that the individuals will complete and the support services to be provided to enable participation. Participants may engage in several different types of work activities. Work activities include: unsubsidized employment; supported employment; Community Work Experience Program (CWEP); Alternative Work Experience Program (AWEP); on-the-job training (OJT); job search and job readiness programs; community service programs; vocational educational training; job skills training; education directly related to employment (in certain circumstances); and high school/ GED programs, if the participant is projected to graduate as a teen. For all participants except minor parents, educational programs can only fulfill part of a work requirement and must be combined with another work-related activity.

⁵¹ Full descriptions and budget detail for these programs are provided in the Income Security chapter of this report.

⁵² This 60 month cumulative lifetime limit on benefits is modified for some assistance recipients. New Jersey has implemented regulations that allow for both exemptions from time limits and extensions to time limits based on the recipient meeting certain eligibility criteria.

⁵³ Note – Eligible individuals engaged in full-time educational activities may receive parallel benefits through the Smart Steps program. See the description of this program within the WDP discussion earlier in this chapter.

⁵⁴ A number of conditions allow participants to defer participation in program work requirements. These conditions include participants who are over the age of 60, have a mental or physical disability making them unable to work, pregnancy or parenting of a child less than 12 week old, being the sole caretaker of a disabled or seriously ill child, history of family violence, being unemployable according to program criteria (for GA recipients), or not being able to secure child care with program assistance.

⁵⁵ This process varies somewhat depending on the county, but all WIB plans are required to provide for coordination of social and employment case management services provided through the welfare and one stop offices.

Until the system's reorganization in July 2004, the Department of Human Services' Division of Family Development and the county welfare agencies had administered the work activities program for TANF participants. Most work activities are provided through contracted vendors, including the One Stop Career Centers. All employment-related services for GA recipients are delivered through local One Stops. Beginning in July 2004, New Jersey transferred administration of all "to work" services for WFNJ participants to LWD. While many of the work activities will still be provided by contracted vendors, the administration of these services will be delivered via the One Stop Career Centers for all TANF and GA recipients.

Budget and Performance Trends:

The funding information provided in the state budget materials for WFNJ work activities is complicated by a number of unique factors, in addition to the complications created by merging multiple state and federal funding streams, which impact the workforce development system in general. The interaction of two separate departments (Human Services and Labor and Workforce Development) in an integrated service system is one factor contributing to this confusion. Each department receives funding from various federal and state sources for the costs related to the provision of to-work services, and funding is also transferred between the two departments. Limited information is available in the state budget materials regarding these transfers and revenue streams as they relate specifically to to-work activities.

Another factor is the different types of expenditures involved in the provision of to-work services for welfare clients, including direct state services costs to the state, state aid provided to county government bodies (such as county and municipal welfare agencies and WIBs), and grants-in-aid, which covers payments to vendors providing employment and training services. The only line-item appropriation detail for WFNJ work activities covers the grants-in-aid appropriations for these last expenses in both departmental budgets. Language in the Budget Book and Appropriations Bill, however, also includes several mentions of transfers of various amounts from the WDP program⁵⁶ for WFNJ training-related expenses and work activities. One of these transfers (an \$8.19 million transfer from WDP) remains in LWD as the grants-in-aid line-item appropriation for WFNJ work activities, although up to 3% is available for administrative costs to the department. Another \$25.5 million in WDP funds is also transferred for WFNJ work activities and training related expenses within LWD, but is not clearly reflected in the departmental budget line items. An additional transfer of \$20 million is also authorized for WFNJ Support Services.⁵⁷ The FY06 OLS analysis of the LWD Budget provided significant explanatory information regarding the various transfers of WDP funding for WFNJ work activities, which is not repeated in FY07, and some of the transfers from

⁵⁶ See the discussion of the Workforce Development Partnership program earlier in this chapter.

⁵⁷ According to a note in the DHS departmental budget, the line item previously referred to as WFNJ – Training Activities has been changed to WFNJ Support Services in FY07, suggesting that the \$20 million transfer of WDP funding goes to DHS.

FY06 are not mentioned in the FY07 budget materials.⁵⁸ The departmental response to the OLS analysis does explain that the \$11 million increase in the grants-in-aid line item for WFNJ Work Activities represents a reallocation of case management funds between DHS and LWD to assist LWD in meeting the increased federal work participation requirements in FY07 for the TANF program. \$7 million of this increase is for to-work case management for TANF recipients and \$4 million for GA recipients.⁵⁹

Evaluation data for the entire program is provided under the Department of Human Services departmental budget in the state budget book.

Work First New Jersey TANF Work Activities Evaluation Data				
WFNJ Activities	Actual FY04	Actual FY05	Revised FY06	Est. FY07
Average monthly recipients entering employment	857	896	937	958
Average monthly recipients in supported work	3,687	3,360	3,360	3,360
Average monthly recipients in on-the-job training	497	357	357	357
Average monthly recipients in Alternative Work Experience (AWEP)	10,909	7,495	7,495	7,495
Average monthly recipients in Community Work Experience (CWEP)	1,365	978	978	978
Average monthly recipients in Vocational Training/Ed for teen parents	5,232	3,885	3,885	3,885
Employment/Work Activity Initiatives	3,713	2,735	2,735	2,735
Average monthly recipients in other activities	1,692	1,544	1,544	1,544
Average monthly recipients receiving training related expenses	8,644	6,874	6,170	5,854
Source: State FY07 Budget Book (p. D-237)				

Note: This chart duplicates information provided under the description of the Work First New Jersey program in the Income Security chapter of this report.

⁵⁸ Specifically, there was a \$10 million transfer of WDP funding to DHS in language in the FY06 budget that is not repeated in the FY07 budget, and the OLS analysis does not repeat information that a portion of the federal Employment and Training Services line item comes from a transfer of federal TANF funds for WFNJ Work Activities.

⁵⁹ Departmental response to OLS Analysis of the FY07 LWD Budget, p.5.

**Work First New Jersey - DHS
Grants-In-Aid (distribution by fund and object)**

	Orig. & --Supple. FY05	Total FY05 Available	Expended FY05	FY06 Adjusted Approp.	Request Recommend FY07	Actual Approp. FY07
WFNJ – training related expenses	\$12,905,000	\$13,121,000	\$7,276,000	\$14,013,000	\$14,130,000	\$14,130,000
WFNJ – support services	\$73,230,000	\$87,796,000	\$44,944,000	\$74,003,000	\$75,664,000	\$75,664,000
Transfer from WDP (in language)	n/a	n/a	n/a	\$10,000,000	\$20,000,000	\$20,000,000

Source: State FY07 Budget Book (p. D-239) FY07 Appropriations Bill S2007 (p. 126, 127) & FY06 Appropriations Bill S3000 (p.118)

Note: Complete budget and performance data for WFNJ, including non-employment related expenses, is included in the Income Security section of this report. The funding for the childcare and transportation assistance needed by participants attending work activities is also duplicated under the descriptions of the DHS Child Care program in the Child Care section of this report and the description of the Work Pass program in the Transportation section of this report.

Work First New Jersey - LWD Grants-In-Aid (distribution by fund and object)						
	Orig. & --Supple. FY05	Total FY05 Available	Expended FY05	FY06 Adjusted Approp.	Request Recommend FY07	Actual Approp. FY07
WFNJ – work activities ⁶⁰	\$8,190,000	\$8,190,000	\$8,190,000	\$8,190,000	\$19,190,000	\$19,190,000
Transfer from WDP (in language) ⁶¹	n/a	n/a	n/a	\$25,500,000	\$25,500,000	\$25,500,000
Source: State FY07 Budget Book (p. D-264) FY07 Appropriations Bill S2007 (p. 138,139) & FY06 Appropriations Bill S3000 (p.133, 134)						

Note – These transfers are also noted in the discussion of WDP budget and performance trends provided earlier in this chapter.

Employment and Training Services Federal Funds Appropriation Data					
Orig. & --Supple. FY05	Total FY05 Available	Expended FY05	FY06 Adjusted Approp.	Request Recommend FY07	Actual Approp. FY07
\$128,129,000 \$10,045,000 ^S	\$146,632,000	\$126,384,000	\$130,422,000	\$142,537,000	\$142,437,000
Source: State FY07 Budget Book (p. D-264) & FY07 Appropriation Bill S2007 (p. 254)					

Note: This DLWD departmental budget combines federal funds into one line-item appropriation, including TANF funds used for WFNJ Work Activities the entire federal appropriation of WIA funds and a small amount in Project Reemployment Opportunity System funds.

Additional Analysis:

The OLS Analysis of the FY07 LWD Budget and department response re-engage the question of case management funding for WFNJ work activities⁶² that was raised in the FY06 analysis, and conclude that the \$11 million increase in LWD line-item funding

⁶⁰ Language on p. D-265 of the State FY07 Budget Book and p. 139 of the FY07 Appropriation Bill S2007 indicate \$8,190,000 of this funding comes from a transfer from the New Jersey Workforce Development Partnership Fund, of which an amount not to exceed 3% shall be made available for administrative costs incurred by LWD. The additional \$11 million comes from a transfer from DHS to cover the cost of to-work case management.

⁶¹ Language on p. D-265 of the State FY07 Budget Book and p. 139 of the FY07 Appropriations Bill S2007 indicates that this transfer from WDP is “in addition to” the amounts appropriated in the line-item appropriations for Work First New Jersey – Work Activities and Work First New Jersey – Training Related Expenses. It may, however, be reflected in the \$25.5 million line item for Employment and Training Services under “Other Funds” (p. D-264).

⁶² In the FY06 analysis, it was noted that the majority of funding for WFNJ work activities (\$91.7 million out of \$152.3 million) was retained by DHS after the reorganization that shifted to LWD the case management responsibilities related to engagement of clients in work activities.

represents an “equitable allocation of existing case management funds.”⁶³ While this reallocation more evenly distributes funding, it does not address the underlying concern regarding the inadequacy of case management resources to provide the necessary services on both the human services and labor sides. The increased pressure to meet a higher federal work participation rate⁶⁴ makes it all the more imperative that the state identify resources to fund adequate case management services that can both provide necessary support services to clients with barriers to work and also engage them in meaningful and productive work activities that will meet federal participation requirements.

⁶³ Departmental response to OLS Analysis of FY07 LWD Budget, p 5.

⁶⁴ See the discussion under the Work First New Jersey program description in the Income Security section of this report.

Vocational Rehabilitation Programs

Program Purpose and Description:

The Rehabilitation Services Administration of the U.S. Department of Education provides Title I formula grants to state vocational rehabilitation agencies for the provision of employment-related services for individuals with disabilities. In New Jersey, the LWD Division of Vocational Rehabilitation (DVR)⁶⁵ receives these funds and administers New Jersey's vocational rehabilitation services. The Commission for the Blind and Visually Impaired, under DHS, also receives funding to provide some additional vocational rehabilitation services, which are not discussed in this section.⁶⁶

The target population for DVR employment services is all individuals with physical and/or mental disabilities that constitute significant impediments to gainful employment. Vocational rehabilitation services are designed to help recipients prepare for, enter, or retain employment. Once assessed for eligibility, individuals should receive assistance from a qualified vocational rehabilitation counselor in developing an Individualized Plan for Employment, which identifies the services available in supporting the individual's employment.

Work-related support and placement services available through DVR include job search assistance, placement assistance, job retention services, personal assistance services, follow-up and follow-along services, and post-employment services to assist in regaining or advancing employment. DVR also offers vocational and training programs, physical and mental restoration services, and a number of other supports to assist eligible persons with disabilities in obtaining and maintaining employment.⁶⁷

Another form of vocational rehabilitation services, supported employment for adults with developmental disabilities, has traditionally been provided by DHS through the Division of Developmental Disabilities, but this program is not administered under DVR. These services include on-site job coaches; crew work in which an individual works as part of a peer group; and arrangements in which a consumer can sample different jobs to find a good fit. Following recommendations from the Governor's Task Force on Mental Health, this program is being expanded in FY06 to provide access to fee-for-services job coach services for individuals with severe mental illness. Job coach services will be provided by DVR-approved vendors who will provide pre-placement, intensive and long-term follow-along services to individuals who have been identified as having impediments to employment due to severe mental illness.⁶⁸

Budget and Performance Trends:

⁶⁵ Note: This program is also discussed under the Disability Programs and Services chapter of this document.

⁶⁶ See program description in the Disability Programs and Services chapter of this report.

⁶⁷ N.J.A.C. 12:45, <http://www.state.nj.us/labor/dvrs/pdf/admcode.pdf>.

⁶⁸ Departmental Response to OLS FY06 LWD Departmental Budget Analysis, p. 5.

In addition to the federal funding provided through Title I formula grants, LWD is also appropriated state funding for vocational rehabilitation services, the majority of which is appropriated for grants-in-aid. The state budget materials provide line-item appropriation detail for this state grants-in-aid funding by the types of services funded, but no parallel detail is available for the state funding for direct state services (administration and staffing) or for the federal funding.

Vocational Rehabilitation Services Evaluation Data				
	Actual FY04	Actual FY05	Revised FY06	Est. FY07
Total persons served	26,959	28,774	28,900	29,000
Total persons rehabilitated ⁶⁹	3,901	4,177	4,200	4,250
Total continuing to be served	16,764	18,024	18,100	18,200
Average cost per rehabilitation	\$13,760	\$14,000	\$14,200	\$14,400
Earnings (weekly) before rehabilitation	\$71	\$79	\$84	\$89
Earnings (weekly) after rehabilitation	\$360	\$393	\$385	\$390
Source: State FY07 Budget Book (p. D-261)				

Note: This data is duplicated under the Vocational Rehabilitation Program description in the Disability Programs and Services chapter of this report.

Independent Living Rehabilitation Evaluation Data				
	Actual FY03	Actual FY04	Revised FY05	Est. FY06
Persons served	7,300	7,500	7,240	7,300
Cost per person (from state funds and federal grant to the state)	\$110	\$125	\$150	\$150
Source: State FY07 Budget Book (p. D-261)				

Note: The “persons served” reported in the preceding table reflects all persons served in the 12 independent living centers around the state; however, the “cost per person” reflects only the funding that passes through the state (including state funding and federal grant funding to the state) and does not include the federal funding that is distributed directly to the centers. It is therefore not possible to determine the total cost of independent living centers by multiplying the persons served by the cost per person. This data is also presented under the Vocational Rehabilitation Program description in the Disability Programs and Services chapter of this report.

⁶⁹ This data measures the number of service recipients who retain employment for more than 90 days.

Sheltered Workshops Evaluation Data				
	Actual FY03	Actual FY04	Revised FY05	Est. FY06
Persons served	2,721	2,721	2,698	2,698
Appropriation per client	\$6,589	\$6,723	\$6,981	\$6,981
Source: State FY07 Budget Book (p. D-261)				

Note: This data is duplicated under the Vocational Rehabilitation Program description in the Disability Programs and Services chapter of this report.

Vocational Rehabilitation Schedule 2 (denotes federal revenue)				
	Actual FY05	Estimated FY06	Budget Estimate FY07	Appropriations FY07
Vocational Rehabilitation Act of 1973	\$49,030,000	\$45,325,000	\$46,556,000	\$46,556,000
Supported Employment	\$808,000	\$975,000	\$975,000	\$975,000
Source: State FY07 Budget Book (p. C-28) & FY07 Appropriations Bill S2007 (p. 15)				

Note –In addition to the federal revenue indicated in the preceding table from the revenue section of the State FY06 Budget Book, the department receives some smaller federal grants for other vocational rehabilitation programs that are combined with this funding in the line item for “federal funds” in the departmental budget, as indicated in the following table.

Vocational Rehabilitation Services Appropriation Data						
	Orig. & --Supple. FY05	Total FY05 Available	Expended FY05	FY06 Adjusted Appropriation	Request/ Recommend FY07	Actual Approp. FY07
Direct state services	\$2,367,000	\$2,367,000	\$2,367,000	\$2,446,000	\$2,446,000	\$2,446,000
Grants-in-aid	\$30,365,000	\$30,456,000	\$30,456,000	\$32,044,00	\$32,044,000	\$34,735,000
Federal funds	\$52,030,000	\$68,806,000	\$44,840,000	\$50,442,000	\$51,673,000	\$51,673,000
Source: State FY07 Budget Book (p. D-262,-263, -264) & FY07 Appropriations Bill S2007 (p. 136,138 &254)						

Note: This data is duplicated under the Vocational Rehabilitation Program description in the Disability Programs and Services chapter of this report.

**Vocational Rehabilitation Services
Grants-in-Aid (distribution by fund and object)**

	Orig. & --Supple. FY05	Total FY05 Available	Expended FY05	FY06 Adjusted Appropriation	Request/ Recommend FY07	Actual Approp. FY07
Services to clients (state share)	\$4,286,000	\$4,286,000	\$4,286,000	\$4,286,000	\$4,286,000	\$4,286,000
Supported employment services	\$2,550,000	\$2,550,000	\$2,550,000	\$3,550,000	\$3,550,000	\$3,550,000
Sheltered workshop transportation	\$1,060,000	\$1,060,000	\$1,060,000	\$1,460,000	\$1,460,000	\$1,960,000
Sheltered workshop transportation (CRF)	\$2,440,000	\$2,440,000	\$2,440,000	\$2,440,000	\$2,440,000	\$2,440,000
Sheltered workshop support	\$18,234,000	\$18,601,000	\$18,601,000	\$19,059,000	\$19,059,000	\$21,059,000
Sheltered workshop employment placement incentive program	\$450,000	\$83,000	\$83,000	\$450,000	\$450,000	\$450,000
Cost of living adjustment (COLA) – sheltered workshops	\$546,000	\$637,000	\$637,000	---	---	\$191,000
Services for deaf individuals ⁷¹	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000	\$170,000
Independent living centers (state share)	\$625,000	\$625,000	\$625,000	\$625,000	\$625,000	\$625,000
Training (state share)	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000	\$4,000
Grand Total Grants-in-Aid	\$30,365,000	\$30,456,000	\$30,456,000	\$32,044,000	\$32,044,000	\$34,735,000

Source: State FY07 Budget Book (p. D-263,-264) & FY07 Appropriation Bill S2007 (p. 138)

Note – This table presents line-item detail for the total state Grants-in-Aid appropriation in the preceding

⁷⁰ Language in the FY07 Budget Book indicates that an appropriation of \$188,000 for cost-of-living allowance adjustments was distributed to the applicable grant account.

⁷¹ Note – This line item is also presented under Services for the Deaf and Hard of Hearing following in this chapter of the report.

table. This data is duplicated under the Vocational Rehabilitation Program description in the Disability Programs and Services chapter of this report.

Job Training Centers for Urban Women

Program Purpose and Description:

The Department of Community Affairs (DCA) Division on Women funds a number of programs that provide employment and training services designed specifically for certain categories of under-privileged women.⁷² The state’s two established Job Training Centers provide job-related training and support to women in urban areas. Services include: job readiness and life skills training; computer literacy; entrepreneurial training; counseling and support groups; self-help programs; job training and placement; and information and referral services. This program is administered on the state level by the DCA Division on Women, but is operated through grants to local providers in Essex and Camden counties. A third center, in Mercer County, was awarded a grant of \$105,000 in October 2006 that is not reflected in the state budget materials.⁷³

Budget and Performance Trends:

Urban Women Served by Grant Programs Evaluation Data			
Actual FY04	Actual FY05	Revised FY06	Estimated FY07
490	442	450	500
Source: State FY07 Budget Book (p. D-55)			

Job Training Centers for Urban Women Act Grants in Aid (distribution by fund and object)					
Orig. & --Supple. FY05	Total FY05 Available	Expended FY05	FY06 Adjusted Approp.	Request Recommend FY07	Actual Approp. FY07
\$315,000	\$315,000	\$315,000	\$315,000	\$315,000	\$315,000
Source: State FY07 Budget Book (p.D-57) & FY07 Appropriations Bill S2007 (p.40)					

Note – The \$105,000 grant to the Trenton Job Training Center is not reflected in this line-item appropriation.

⁷² See also the descriptions of Displaced Homemaker Centers and Hispanic Women Demonstration Research Center that follow in this chapter.

⁷³ DCA press release, October 13, 2006.

Displaced Homemaker Centers

Program Purpose and Description:

Displaced Homemaker Centers provide job counseling and other supportive services for women who have been dependent on the income of another household member but, due to the death, disablement, or divorce of their spouses, must now support themselves. The program aims to develop and offer technical assistance to expand existing programs to include: job counseling services specifically designed for displaced homemakers, job training and placement sources, job development services with identification of community needs, financial management services and educational need. This program is administered on the state level by the DCA Division on Women but is operated through grants to local providers. The state’s FY06 budget funds 16 centers around the state, although the following counties do not have contracted providers: Cape May, Cumberland, Hudson, Mercer, Middlesex, Ocean, Somerset, and Union.

Budget and Performance Trends:

Displaced Homemakers Service by Funded Programs Evaluation Data			
Actual FY04	Actual FY05	Revised FY06	Estimated FY07
2,714	2,474	3,000	3,000
Source: State FY07 Budget Book (p. D-55)			

Grants to Displaced Homemakers Centers Grants- in -Aid (distribution by fund and object)					
Orig. & --Supple. FY05	Total FY05 Available	Expended FY05	FY06 Adjusted Approp.	Request/ Recommend FY07	Actual Approp. FY07
\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000	\$1,250,000
Source: State FY07 Budget Book (p.D-57) &FY07 Appropriations Bill S2007 (p.40)					

Hispanic Women Demonstration Research Centers

Program Purpose and Description:

The Hispanic Women Demonstration Research Center Act provides for grant funding to non-profits to operate centers around the state serving the Hispanic community. DCA funds local providers that outreach to the Hispanic community and provide services primarily oriented toward employment-related needs. The services include basic language skills, computer skills and computer literacy training, educational evaluations, job counseling, self-help and mentoring programs, career information services, and information and referral.⁷⁴ In FY05, DCA increased funding and provided a grant to one additional program. Centers are located in Camden, Hudson, Essex, and Monmouth counties.

Budget and Performance Trends:

Hispanic Women Served By Grant Programs Evaluation Data			
Actual FY04	Actual FY05	Revised FY06	Estimated FY07
518	615	500	500
Source: State FY07 Budget Book (p. D-57)			

Grants to Hispanic Women’s Resource Centers Grants in Aid					
Orig. & --Supple. FY05	Total FY05 Available	Expended FY05	FY06 Adjusted Approp.	Request Recommend FY07	Actual Approp. FY07
\$500,000	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000
Source: State FY07 Budget Book (p.D-56) & FY07 Appropriations Bill S2007 (p.40)					

⁷⁴ [DCA](#) 2004 Programs Book, and Testimony of Commissioner of DCA at Assembly Budget hearing, June 6, 2004.

Additional Employment and Training Programs for Vulnerable Populations

There are a number of additional programs that serve specific vulnerable populations with employment-related training and job placement services. These programs are funded through federal funding sources, but are not present as separate line items in the departmental budget proposal for LWD. Federal revenue information is available for the Senior Community Service Employment Program, but no evaluation data or information on how the funds are distributed through LWD. Despite the limited budget information available regarding these programs, they are included as important supplemental programs for particularly vulnerable groups.

Migrant Labor: Seasonal Farm Labor Act

Program Purpose and Description:

The federal Migrant Labor and Seasonal Farm Labor Act established a variety of services for the migrant and seasonal laborer. In addition to establishing guidelines for adequate labor and living conditions, the Migrant Labor Act also required the Commissioner of the Department of Labor and Industry to provide a permanent, certified staff of Spanish language interpreters in the Bureau of Migrant Labor. Working with other departmental personnel, these certified interpreters assist migrant workers with affairs involving the federal, state, county, and local government agencies.⁷⁵

The Migrant Labor Act also called for a survey of health care services available to migrant workers by the Bureau of the Department of Health. If the results of the survey revealed a need for more adequate health care, the Department of Health was to determine the most efficient way to make health services available. Possible options included providing health care services through one or more travel dispensaries, by contract, or by whatever other manner recommended by the Department of Health.⁷⁶

Budget and Performance Trends:

There is no evaluation data of budget information available at this time.

⁷⁵ N.J.S.A. 34:9A-7.2.

⁷⁶ N.J.S.A. 39:9A-11; <http://www.nj.gov/labor/lsse/agriculture.html>.

Senior Community Service Employment Program (SCSEP)

Program Purpose and Description:

The Senior Community Service Employment Program (SCSEP), also known as WorkForce55+, is authorized under TITLE V of the federal Older Americans Act and is administered by LWD, Division of Employment and Training. SCSEP's primary mission is to create a mutually beneficial partnership between the vulnerable elderly workforce and communities. SCSEP provides job training, part-time subsidized work activities for the low-income elderly workforce, and skill-appropriate jobs in public, private, and/or nonprofit sectors.⁷⁷

Budget and Performance Trends:

National Council on Aging – Senior Community Services Employment Project Schedule 2 (denoted federal revenue)			
Actual FY05	Estimated FY06	Estimated FY07	Appropriated FY07
\$2,290,000	\$3,000,000	\$3,014,000	\$3,014,000
Source: State FY07 Budget Book (p. C-28) & FY07 Appropriations Bill S2007 (p. 15)			

⁷⁷ <http://www.nj.gov/health/senior/federalbenefits/employment.shtml>.

Jobs Creation Programs

While job creation is not an express goal of the state or federal labor departments, attainable job opportunities are indispensable to the success of training and placement programs. Job development addresses the demand side of the labor market crisis. It complements workforce development, or job market supply. Ultimately, both supply and demand ends of the job market should be adequately developed and tailored to each other to maximize the success of New Jersey's workforce and the strength of its economy.

Current jobs projections show a growth of low-wage sectors in New Jersey. As shown at the beginning of this chapter, the minimum wage gained from these jobs alone cannot sustain a family in New Jersey. Thus, a policy of more low and medium wage work is reasonable, as long as it is augmented with supportive services, such as child care and transportation, that effectively supplement low wages, and as long as complementary policy develops and attracts living wage jobs as it develops the low wage workforce into those jobs.

Job development occurs in two ways – through direct government job creation or through job attraction. A traditional example of direct job creation is the New Deal's Works Progress Administration (WPA). Today's examples include a number of large government building projects requiring significant new workforces and time. The Abbott school construction projects described in this section provide expressly for large numbers of new jobs for low-wage and vulnerable workers — jobs that would not have existed but for the Abbott court decision.

Job attraction, by contrast, occurs through incentives such as employer grants and tax breaks to businesses that locate in low-income communities and hire low wage populations. The Urban Enterprise Zone law exemplifies, by design and purpose, job attraction for low-wage and disadvantaged workers.

Abbott Job Creation

Program Purpose and Description:

The New Jersey Schools Construction Corporation (NJSCC), a subsidiary of the Economic Development Authority (EDA), funds school construction projects that provide both temporary construction and permanent employment. EDA is described in the Community and Economic Development Section of this report. Under the Educational Facilities Construction and Financing Act (EFCFA), the state provides 100% funding for approved construction/renovation project costs in the 30 Abbott school districts, described in the Education section of this report. Non-Abbott districts are guaranteed a minimum of 40% of approved project costs. This funding stream is provided for debt service of bonds and aid for recently issued local debt for school construction. While the NJSCC is not specifically focused on job creation, this program provides the funding that makes school construction and the related jobs possible for low-income school districts. The Department of Education’s Office of Facilities reviews and approves proposed construction and renovation projects.⁷⁸

Budget and Performance Trends:

The state budget materials do not include data reflecting the number of jobs created through this funding source, nor is job creation the primary goal of this program.

School Construction – State Aid Appropriations Data						
	Orig. & --Supple. FY04	Total FY04 Available	Expended FY04	FY05 Adjusted Approp.	Request Recommend FY06	Actual Approp. FY06
School construction and renovation fund	\$151,897,000 -\$9,295,000 ^s	\$98,014,000	\$96,868,000	\$227,527,000	\$341,821,000	\$331,425,000
School construction debt service aid	\$32,0094,000	\$32,094,000	\$32,094,000	\$31,742,000	\$33,394,000	\$33,394,000
Source: State FY07 Budget Book (p.D-109) & FY07 Appropriations Bill S2007 (p.62)						

⁷⁸ State FY05 Budget Book, p. D-75.

Urban Enterprise Zones

Program Purpose and Description:

The Urban Enterprise Zone Authority has great relevance to New Jersey's low-income communities. In 1983, the New Jersey State Legislature promulgated the Urban Enterprise Zones Act (UEZ), N.J.S.A. 52:27H-60, authorizing the provision of tax incentives and other benefits to businesses in targeted zones located in economically distressed cities. At present there are 35 Urban Enterprise Zones (UEZs) located throughout New Jersey. By definition, UEZs are areas with high concentrations of unemployed and economically disadvantaged people. Businesses operating within UEZs receive several benefits, including the right to charge a reduced sales tax (3% instead of 6%). In return, zone businesses have an obligation to hire local people to fill a certain percentage (currently 25%) of their workforce. Moreover, the reduced sales tax that is collected by zone businesses is deposited in the enterprise zone assistance fund and reserved for use within the particular UEZs from which they were derived. Businesses and non-profits operating within UEZs can submit proposals seeking grants or loans from this fund for projects designed to further the goals of the UEZ program.

New Jersey's 33 Urban Enterprise Zones are in designated portions of the following municipalities (Millville and Vineland are a joint zone):

Asbury Park	Newark
Bayonne	New Brunswick
Bridgeton	North Bergen
Camden	Orange
Carteret	Passaic
East Orange	Paterson
Elizabeth	Pemberton
Gloucester	Perth Amboy
Guttenberg	Phillipsburg
Hillside	Plainfield
Irvington	Pleasantville
Jersey City	Roselle
Kearny	Trenton
Lakewood	Union City
Long Branch	West New York
Millville/Vineland	Wildwood
Mount Holly	

Budget and Performance Trends:

Urban Enterprise Zone Program – Economic Development Evaluation Data				
	Actual FY04	Actual FY05	Revised FY06	Estimated FY07
Participating businesses	22,399	24,115	24,500	25,000
Total number of jobs created (annually)	22,170	16,422	16,500	17,000
Private investment generated (annual value)	\$1,300,000,000	\$2,000,000,000	\$2,000,000,000	\$2,000,000,000
Zone assistance fund projects (annual value)	\$56,500,000	\$50,000,000	\$50,000,000	\$50,000,000
Source: State FY06 Budget Book (p. D-399)				

New Jersey Commerce, Economic Growth and Tourism Commission (Grants-in-aid) Appropriations Data					
Orig. & --Supple. FY05	Total FY05 Available	Expended FY05	FY06 Adjusted Approp.	Request/ Recommen d FY07	Actual Approp. FY07
\$19,829,000	\$19,829,000	\$17,399,000	\$19,749,000	\$19,749,000	\$17,249,000
Source: State FY07 Budget Book (p. D-412) & FY07 Appropriations Bill S2007 (p. 193)					

Note – This table represents the entire appropriation of state funds for the operation of the New Jersey Commerce, Economic Growth and Tourism Commission, a portion of which funds operation of the UEZ program.

Enterprise Zone Assistance Fund (P.L. 1983, c.30) Appropriations Data			
	Actual FY05	Estimated FY06	Estimated FY07
Fund Balance July 1 st	\$195,938,000	\$226,415,000	\$258,716,000
Revenues	\$86,016,000	\$93,990,000	\$96,994,000
Expenditures	\$48,575,000	\$50,280,000	\$51,536,000
Transfers to other funds	\$6,964,000	\$11,409,000	\$12,550,000
Fund Balance June 30 th	\$226,415,000	\$258,716,000	\$291,624,000
Source: State FY07 Budget Book (p. H-11)			

Recommendations

Job training and services – generally

- Apply the self-sufficiency standard of 250% fpl as a primary benchmark for all One Stop-administered training services.

Current job training and services lack a clear, standardized and meaningful measure of success. Educational and skills training should reasonably raise a worker's earning potential to a level of self-sufficiency. The legislation that consolidated all WFNJ work-related services under the Department of Labor and Workforce Development established the self-sufficiency standard of 250% fpl.

This standard must be used to set goals for employment and training services and to prevent the denial of those services to clients because the skills they have already are in demand, in cases where those current skills are insufficient to obtain work with pay high enough to provide self-sufficiency.

- Monitor, and fund where inadequate, public transportation access for all One Stop locations.

Interdepartmental transfer and consolidation of former DHS employment services within LWD exacerbates current transportation needs at One Stops. In addition to reporting to the county welfare agency for traditional Work First New Jersey cooperation requirements, the recipient must now also attend the One Stop Center for employment matters.

One Stops are often inaccessible to many constituents. Locations, including those in some urban areas, are sometimes distant from the area's low-income housing or transportation from the housing. One urban center in Middlesex County has no bus routes approaching the facility, and can only be reached by trolley every 45 minutes. The lack of accessibility is exacerbated for disabled clients of the Division of Vocational Rehabilitation Services (DVRS) which is increasingly located at the One Stop. (See the Transportation section of this report for further relevant discussion of transportation barriers to low-income and disabled individuals.)

Job training and services – vulnerable workers

- In light of departmental transfer/reorganization, expand LWD's capacity to accommodate the special work barriers of WFNJ clients.

Increased funding is required to meet transactional costs of reorganization, including monitoring, materials and training. On-going and extensive training is also required for LWD staff regarding case management with Work First clients, WFNJ-TANF/GA substantive law, and procedural processes.

Transitional jobs program

- Consider creating a flexible transitional jobs program with subsidized-wage jobs, tailored, intensive training and supportive services for the most difficult to employ 3rd tier WIA workers.

Transitional jobs programs provide subsidized, wage-paying employment in combination with supportive services to help hard-to-employ populations. Existing models vary in the types of jobs offered, from government created jobs to subsidized placement in non-profits and private employment. Program characteristics of transitional jobs programs also vary widely, but the most successful models report considerable flexibility in addressing individual client barriers.⁷⁹ Despite program variation, transitional jobs programs reporting the most success display three common features: temporary paid work, training, and supportive services. Payment is sometimes supplemented by a portion of welfare grants and by bonuses for completion. Training is commonly built on a relationship model that features highly individualized counseling, education, and skills. Work support services extend from the orientation period until months after temporary work and placement into permanent work and typically include child care, transportation, health care, the EITC, and job retention services. The impact of these services has proven significant in existing programs in other states. For example, such services pushed the annual household resources of a 40-hour-a-week minimum-wage worker in Pennsylvania to the equivalent of at least \$27,000, an estimated \$10,500 more than she would have with welfare. Evaluations of the benefits of such transitional jobs programs, particularly for hard-to-employ welfare recipients, have been conducted by Mathematica and have shown modest long-term benefits.⁸⁰

- Those targeted by the transitional jobs program should reasonably include long-term welfare recipients, the long-term unemployed, ex-offenders and those with multiple barriers.

While the Workforce Investment Act provides tiered services, and provides additional training services for individuals who are unable to find work with only core services, the funding for intensive services and training services is inadequate to meet the needs of all disadvantaged and displaced workers. Approximately 47% of UIB recipients exhaust benefits without finding employment—one of the highest exhaustion rates of all states. New Jersey should commit additional funding for intensive transitional jobs programs for individuals who are unemployed long term.

⁷⁹ A 2002 report from Mathematica Policy Research, Inc. indicates that transitional job programs with significant flexibility had employment rates of 81% -94% for hard-to-employ participants who completed the programs. Kirby, Gretchen, Heather Hill, LaDonna Pavetti, Jon Jacobson, Michelle Derr and Pamela Winston, *Transitional Jobs Programs: Stepping Stones to Unsubsidized Employment*, Mathematica Policy Research, Inc., April 2002, <http://www.mathematica-mpr.com/publications/PDFs/transitionalreport.pdf>.

⁸⁰ In addition to previous citation of April 2002 report, see: Michelle VanNoy & Irma Perez-Johnson, *Targeted Help for the Hard-to-Employ: Outcomes of Two Philadelphia Welfare-to-Work Programs*, Mathematica Policy Research, Inc., September, 2004.

Transitional work gives the hard-to-serve experience and a credential in the work world; it gives them a few chances to learn by error before finding an unsubsidized job; and it does this all while enabling them to comply with state and federal welfare work requirements, providing them with the additional supportive services available through this system. Because transitional jobs pay actual wages, clients pay Social Security, file taxes, and are eligible for the Earned Income Tax Credit. As transitional work commonly requires up to ten hours each week of training, career advising, and work-site mentoring, workers have a greater chance of staying involved in the labor market. Ultimately, transitional work helps those with severe work barriers and their families to avoid public assistance and secure economic independence.

- The transitional jobs program should be designed to provide the intensive training required by the targeted participant groups.

The combination of job creation and job training goals creates a potential tension in the development of transitional jobs programs, given limited resources. More intensive training often restricts the number of participants who can benefit from the program. On the other hand, too great an emphasis on serving the maximum number of participants can compromise the effectiveness of the program if it reduces the intensity of services. Given the marked success of training-focused programs noted above, any new transitional jobs program in New Jersey should incorporate an emphasis on adequate training components to meet the needs of the hardest-to-employ participants.

Job training systems

- Increase monitoring methods and frequency for all state job training and placement programs.

According to a February 2004 report from the U.S. General Accounting Office, New Jersey did not use sufficiently rigorous methods in monitoring employer-tax-funded state employment training and placement programs. New Jersey used one outcome indicator, wage increases, out of seven potential indicators, and also reported using undisclosed process indicators in its assessments. New Jersey is the only state that reported it did not regularly assess its program in 2002.⁸¹ Federal program reporting requirements for WIA provide a useful standard.

- Coordinate all state and federal programs suitable for the individual client in order to maximize needed training and services.

The same GAO report found that New Jersey's programs coordinated with some federal Workforce programs, but not others. The state WIB, local WIB boards and One Stop Centers were coordinated with state programs. TANF; Hi-B Technical

⁸¹ *Workforce Training: Almost Half of States Fund Employment Placement and Training through Employer Taxes and Most Coordinate with Federally Funded Programs*, United States General Accounting Office, Report Number GAO-04-282, February, 2004.

Skills Grants; Welfare-to-Work; Department of Education, Employment & Training Programs; and other federal employment & training programs were not coordinated. While pending reorganization plans within LWD and DHS should address some of the uncoordinated categories, this process should be well monitored; and other categories remain.

Job creation

- Within New Jersey's Urban Enterprise Zone law, increase the percentage of qualifying business jobs to be allocated to local needy workers and focus those jobs upon the demonstrably disadvantaged local worker.

Current UEZ law requires 25% of jobs be allocated to local workers by qualifying businesses. A more equitable standard, comparable to other states, would be to increase this requirement to 50%, thus realizing a greater return on the state's investment in terms of job creation. This requirement should also incorporate more targeting toward demonstrably disadvantaged workers, to ensure that the created jobs provide work opportunities for workers who would not have easily found jobs in the existing labor market.