

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

ASSEMBLY, No. 5016

with committee amendments

STATE OF NEW JERSEY

DATED: FEBRUARY 24, 2021

The Assembly Appropriations Committee reports favorably and with committee amendments Assembly Bill No. 5016.

As amended, this bill would create a five-year Water Apprenticeship, Training, and Employment Resources (“WATER”) Pilot Program in the Department of Labor and Workforce Development (DOLWD) to provide grants to support funding for newly-established adult apprenticeship programs in the water infrastructure, water utilities, and other water-related sectors, focusing on underserved and underrepresented communities. Any organizational sponsor of an apprenticeship program would be eligible to receive a grant, including businesses, labor organizations, colleges, workforce training providers, non-profit organizations, public utilities, local government entities and authorities, and trade organizations, provided that they have secured an industry partner or a monetary or in-kind funding contribution.

Under the bill, grant applications would be accepted starting July 1, 2021, and the grants would be awarded no later than January 1, 2022. The DOLWD would rank eligible applicants for grants based upon each applicant’s potential to reach a broad audience through its recruitment and outreach efforts, significantly increase enrollment and completion of the apprenticeship program, including among members of underserved and underrepresented communities, and fill existing needs for skilled workers in the market.

Beginning January 1, 2022, and each year thereafter for the duration of the pilot grant program, the Commissioner of Labor and Workforce Development would be required to submit to the Governor and the Legislature a report that evaluates the results of the program and its effectiveness.

In addition, the bill would create a special, non-lapsing fund in (to be known as the "WATER Fund") in the Department of the Treasury to collect and invest moneys to be used for the purposes of the bill. The bill also directs the Treasury to solicit grants from interested public or private sources for the fund.

COMMITTEE AMENDMENTS:

The committee amended the bill to:

- 1) specify that wastewater workers are included under the bill's provisions;
- 2) include public utilities, local government entities and authorities, and trade organizations in the list of entities that may be organizational sponsors of an apprenticeship program would be eligible to receive a grant;
- 3) replace references to the Office of Customized Training with references to the Office of Apprenticeship; and
- 4) remove a reference in the bill to the Director of the Division of Investment.

FISCAL IMPACT:

The Office of Legislative Services (OLS) finds that the bill will increase annual State expenditures by an indeterminate amount, as a result of the establishment and administration of the Water Apprenticeship, Training, and Employment Resources (WATER) Pilot Program in the Department of Labor and Workforce Development.

The OLS notes that funding for the WATER program will come from the special non-lapsing fund to be known as the WATER Fund. The OLS finds that, if enacted, the bill may increase State annual revenues and administrative expenditures tied to the establishment of the fund and its administration by the Department of the Treasury.

The OLS also notes that the bill may potentially increase revenue to institutions of higher education. The bill includes colleges as eligible applicants for WATER grants.