Department of Labor and Workforce Development
Division of Workforce Development

July 1, 2012 to December 31, 2016
The Honorable Chris Christie  
Governor of New Jersey

The Honorable Stephen M. Sweeney  
President of the Senate

The Honorable Vincent Prieto  
Speaker of the General Assembly

Ms. Peri A. Horowitz  
Executive Director  
Office of Legislative Services

Enclosed is our report on the audit of the Department of Labor and Workforce Development, Division of Workforce Development for the period of July 1, 2012 to December 31, 2016. If you would like a personal briefing, please call me at (609) 847-3470.

Stephen M. Eells  
State Auditor  
August 29, 2017
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Scope

We have completed an audit of the Department of Labor and Workforce Development (department), Division of Workforce Development (division) for the period July 1, 2012 to December 31, 2016. State funds were appropriated to the division under the appropriation organization, Employment Services.

The division provides employment services and occupational training to unemployed and underemployed residents of New Jersey through a network of One-Stop Career Centers managed by 17 Workforce Investment Boards. The One-Stop Career Centers offer career counseling, literacy and basic skills assistance, and funding for occupational and on-the-job training. The division also provides funding for employers to invest in the occupational and literacy skills of their employees.

The federal government provided an average of $192 million in grants per year to fund services provided by the division and the One-Stop Career Centers during the audit period. In addition, the division expended an average of $56 million per year from the New Jersey Workforce Development Partnership Fund, $29 million from the Supplemental Workforce Fund for Basic Skills, and $25 million from general state appropriations.

Pursuant to N.J.S.A. 52:38-7 (NJBUILD), the division also collects revenues intended to fund outreach and training programs for minority group members and women in construction trade occupations. During our audit period, the division collected an annual average of $3.4 million in revenues available for NJBUILD programs.

Objectives

The objectives of our audit were to determine whether financial transactions were related to the division’s programs and were reasonable. An additional objective was to determine if the Labor Demand Occupations List was updated timely and was effective in guiding job seekers. Another objective was to determine if training providers were properly vetted based on verifiable performance data. A further objective was to determine if the division verified information reported by grantees receiving Skills Partnership Training Grants. Our final objective was to determine if the funds collected pursuant to the NJBUILD statute were utilized for their intended purpose.

This audit was conducted pursuant to the State Auditor's responsibilities as set forth in Article VII, Section I, Paragraph 6 of the State Constitution and Title 52 of the New Jersey Statutes.

Methodology

Our audit was conducted in accordance with Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings.
and conclusions based on our audit objectives. We believe the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

In preparation for our testing, we studied federal and state legislation, the administrative code, policies of the department, and regulations promulgated by the United States Department of Labor. Provisions we considered significant were documented and compliance with those requirements was verified by interview, observation, and testing. We also read the budget messages, reviewed financial trends, and interviewed division personnel to obtain an understanding of the programs and the internal controls.

Nonstatistical sampling approaches were used. Our tests were designed to obtain reasonable assurance that evidence was sufficient and appropriate to support our findings and conclusions in relation to our audit objectives as well as internal controls and compliance. Sample items were randomly or judgmentally selected for testing.

Conclusions

We found the financial transactions included in our testing were related to the division's programs and were reasonable. In making this determination, we found the Labor Demand Occupations List was not updated timely, thereby limiting its effectiveness in guiding job seekers. We noted weaknesses in the performance monitoring of training providers and in the grantee reporting of Skills Partnership Training Grants. We also noted that some of the funds collected pursuant to the NJBUILD statute were redirected within the General Fund.

We made observations regarding the effectiveness of the Individual Training Grants in helping participants to secure training-related employment, and also regarding the reporting, performance monitoring, and oversight of the Workforce Investment Boards.
Labor Demand Occupations List

The Division of Workforce Development (division), Center for Occupational Employment Information is required to compile a list of labor demand occupations pursuant to N.J.S.A. 34:1A-86. The statute requires the division to compare the projected need for trained individuals in each occupation to the total number of individuals being trained in the skills needed to work in that occupation. An occupation is classified as a labor demand occupation when it is determined by the division that the number of individuals needed significantly exceeds, or will exceed, the number being trained.

The Labor Demand Occupations List (list) is intended to provide students, parents, counselors, and other career decision makers with accurate, timely, and relevant information about the careers available in the New Jersey labor market. While some exceptions are allowed, Workforce Investment Board (WIB) counselors throughout the state rely on the list to approve occupational training grants. The list must be updated at least once every two years.

**The Labor Demand Occupations List was not updated timely.**

The division failed to update the list for more than four years. Between July 1, 2012 and December 20, 2016, WIB counselors and job seekers in New Jersey utilized the list which was published in 2011 and was based on 2009 and 2010 labor market data. The division has not measured the effects this outdated list may have had on job seekers serviced by the division nor those consulting the list independently. Had the division’s list been updated every two years as required by the statute, job seekers may have received better guidance when utilizing the list.

**The methodology utilized to produce the list is not in accordance with the statute.**

According to the division’s methodology, an occupation on the 2011 list was to have a minimum of 2,000 employees to be considered in demand. This methodology also considered current and projected job openings, occupational unemployment rates, and the percentage of individuals employed within six months of completion of related training programs. However, the methodology did not consider the number of individuals already being trained as required by the statute.

Of 783 unique occupations on the 2011 list, which was used until 2016, 224 were classified by the division as labor demand occupations. Of these 224 occupations, we matched 200 to occupational estimates compiled in an annual survey by the U.S. Department of Labor, Bureau of Labor Statistics (BLS). Between 2010 and 2015, 110 of these 200 occupations demonstrated growth, 94 of which demonstrated above average growth. At the same time, 194 occupations not considered labor demand occupations per the list demonstrated above average growth. Of the excluded occupations, 191 were left out because 2010 employment numbers were below the 2,000 employee minimum. Twenty of these 191 occupations added a total of 26,000 jobs between 2010 and 2015 according to the BLS survey data.
On December 20, 2016, the division released the 2015 list which used an updated methodology. As with the 2011 list, the 2015 list did not consider the number of individuals already being trained. In addition, the updated methodology excluded the occupational unemployment rates and the percentage of individuals employed within six months of completion of related training programs.

The methodologies utilized by the division favored occupations with more employees, but did not consider other occupations affected by growth or decline. Had the division’s methodology followed the statute, the list would provide job seekers with better insight to available occupations in demand.

Participants received training in occupations that experienced declining total employment.

Between January 13, 2014 and September 16, 2014, four Atlantic City casinos closed, eliminating 8,307 jobs. According to the BLS data, the gaming dealer occupation lost 2,440 positions in New Jersey between 2010 and 2015. Yet, between October 1, 2014 and May 31, 2016, 21 participants received funds to attend casino related training. Of these, 14 attended courses for casino gaming dealers, 5 for casino surveillance, and 2 for casino management.

Between July 1, 2010 and October 24, 2016, 792 participants received funds to attend medical billing training. According to the BLS report, the medical secretaries occupation, which includes medical billing, lost 2,270 positions between 2010 and 2015 in New Jersey. Additionally, during the same period, 444 participants received funds to attend cosmetology training; but according to the BLS report, hairdressers, hairstylists, and cosmetologists lost 2,360 positions between 2010 and 2015 in New Jersey. These occupations were improperly classified as in demand on both the 2011 and 2015 lists.

Not only did the state pay an estimated $4.4 million for training in jobs with declining demand, the division’s list encouraged these individuals to spend their time and efforts in pursuit of this training.

Recommendation

We recommend the division improve the Labor Demand Occupations List methodology to include growing occupations, even those below the 2,000 employee minimum, and consider the number of individuals being trained. The list should be updated at least every two years as required by statute.
Eligible Training Provider List

The division does not adequately monitor training provider performance.

The Eligible Training Provider List (ETPL) is a comprehensive listing of all schools and organizations offering occupational education and job training programs that are eligible to receive publicly funded tuition assistance. The division may offer training grants to unemployed and underemployed individuals only for training programs listed on the ETPL. Pursuant to N.J.S.A 34:1A-86, the division’s Center for Occupational Employment Information is responsible for producing a Consumer Report Card (CRC) for each ETPL training program. The statute requires that each CRC contain training provider performance data such as the number of enrollees, completion rate, placement in employment, long-term success of former trainees in obtaining permanent employment, and wages following the completion of training. Both the ETPL and the CRC must be made available to the general public via the internet.

The division utilizes the New Jersey Training Opportunities (NJTOPPS) website to publish the ETPL and the CRC. As of October 2016, the CRC represented performance data for individuals who completed occupational training prior to September 30, 2015. However, the majority of training providers and programs listed on NJTOPPS did not have performance data available that depicted employment outcomes. Of 1,621 providers, 1,228 (75.8 percent) did not have performance data listed, and 6,332 (87.3 percent) of their 7,252 training programs did not have performance data. Although many of the training programs did not have such data, we found that 28 of the 30 programs with the highest number of division participants had performance data available on NJTOPPS.

We found the performance data available on NJTOPPS may not accurately reflect training provider performance. As required by N.J.S.A. 34:15C-8, the performance statistics should represent only participants who obtained employment in a training-related field. However, the methodology used by the division does not exclude employment outcomes that are unrelated to the training. Furthermore, the methodology does not exclude seasonal, temporary, or part-time employment. Failure to exclude these populations may result in overstating the success of the programs.

The performance data found on the NJTOPPS website is collected from the New Jersey Commission on Higher Education, the New Jersey Department of Education, and the New Jersey Department of Labor and Workforce Development. It is consolidated for the division by staff of the John J. Heldrich Center at Rutgers University. Although the division has partnered with Rutgers to consolidate performance data for NJTOPPS, it is the responsibility of the division to ensure statutory requirements are met.

Pursuant to N.J.S.A. 34:1A-86, the effectiveness of training providers should be measured by their ability to demonstrate long-term success of former trainees in obtaining permanent employment and increasing earnings following the completion of training. Without accurate performance data, both the division and the participants are unable to identify the training programs more likely to lead to employment and increased wage earnings.
Recommendation

We recommend the division ensure performance data is available on the NJTOPPS website for all training providers and programs. We also recommend the division update the performance data methodology to ensure the CRC accurately reflects full-time employment and wages related to the training program.

Skills Partnership Training Grants

The division does not verify information reported on closeout reports for training grants.

The Division of Workforce Development (division) offers Skills Partnership Training Grants (grants), formerly known as Skills4Jersey, for eligible employers to upgrade the skills of current employees and/or new employees to meet current and future skill requirements of available high skill/high wage jobs in New Jersey. The grants are competitively awarded, are based in part on projected employee growth, and provide up to 50 percent reimbursement of the total cost of training. The division expended an annual average of $10.6 million during fiscal years 2013 to 2016 on these grants.

The grant application requires grantees to submit data regarding the anticipated number of jobs to be retained and/or created as a result of the training. Following the completion of the grant period, each grantee must submit a self-reported closeout report within 30 days. The closeout report provides a comparison of the employment projections to the actual number of jobs retained and/or created.

Between July 1, 2013 and June 30, 2014, there were 114 training grants awarded totaling $10.1 million. Grant awards during this period were capped at $100,000 per individual employer with the highest amount awarded to a consortium at $1,091,200. We reviewed the closeout reports for these grants to determine whether the reports were received and were in agreement with the grantees’ initial projections. During our preliminary review in September 2015, when all closeout reports should have been submitted, 82 of the 114 reports were not available. Subsequently, the division was able to provide 49 of these 82 closeout reports but, as of December 2, 2015, the division still could not provide 33 of the 114 closeout reports. Without a closeout report from each grantee, it may be difficult for the division to determine the number of employees who completed training and the number of jobs retained and/or created as a result of the training grant. The division also failed to impose a $500 fine for each incident in which the grantee did not submit a closeout report as required per N.J.A.C. 12:23-2.8. According to division personnel, no such fine has ever been imposed.

Based on our review of 78 closeout reports available for individual employers for fiscal year 2014 grants, we found the following:

- 32 grantees (41 percent) met or exceeded their projections,
• 21 grantees (27 percent) missed their projections but still added jobs,

• 10 grantees (13 percent) missed their projections and created no additional jobs,

• 15 grantees (19 percent) fell below their projections and lost jobs.

The division does not verify data submitted on these closeout reports and does not hold the grantees accountable to the projections relied upon to competitively award the grants.

Recommendation

We recommend the division ensure closeout reports are submitted timely and if necessary to enforce compliance, impose fines as per the administrative code. We further recommend the division verify the reported information and hold grantees accountable to their employment projections.

NJBUILD

NJBUILD funds, intended for training of women and minorities in construction trades, are being redirected to the unrestricted balance of the General Fund.

Pursuant to N.J.S.A. 52:38-7 (NJBUILD), any state or local public body, upon entering into any public works contract in excess of $1 million funded, in whole or in part, by funds of the public body, shall transfer an amount equal to one half of one percent (0.5 percent) of the contract amount to the Department of Labor and Workforce Development (division). The department is required to use the transferred funds to provide outreach and training programs for minority group members and women in construction trade occupations.

Since the inception of the NJBUILD statute in 2009, the Division of Workforce Development (division) has collected $31 million in receipts. The division has not been able to utilize NJBUILD funds as intended by the legislature, and the excess funds have frequently been redirected to the unrestricted balance of the General Fund. As of December 31, 2016, a total of $19.9 million, or 64 percent of NJBUILD revenues, had been redirected.

There are several possible issues stemming from this transfer of funds.

• In 2004, the New Jersey Supreme Court ruled it unconstitutional to use the proceeds of general obligation bonds to balance the budget. In July and September 2016, the division received NJBUILD revenues totaling $525,600 from two contracts partially funded by New Jersey general obligation bond proceeds. If these funds are redirected, the state may be at risk of violating the New Jersey Constitution.

• In fiscal year 2016, the division received $2.1 million of NJBUILD revenues (75 percent of
the total for the year) from projects funded by New Jersey Turnpike Authority (authority) revenue bonds. Pursuant to Section 17(a) of the Securities Act of 1933, it is unlawful for bond issuing organizations to mislead investors about the intended use of bond proceeds. When bond proceeds become unrestricted within the General Fund, the use of funds may differ from existing bond disclosures and may be misleading to investors.

- Pursuant to Section 103 of the Internal Revenue Code of 1986 (Code), interest earned on authority bonds by investors is excluded from federal income tax. The authority made a commitment to investors to maintain the tax exempt status of the bonds through compliance with provisions of the Code. Noncompliance with the provisions may cause investors to pay income tax on interest retroactive to the date of issuance of the bonds. By allowing proceeds of bonds to become unrestricted within the General Fund, the division is limiting the bond issuer’s control over the use of these funds, thereby inhibiting their ability to protect the interest of investors and to raise additional funds.

Pursuant to N.J.S.A. 52:40-6 et seq., the Division of Public Contracts Equal Employment Opportunity Compliance, which was transferred to the department in 2012, is responsible for monitoring and reporting the collection of NJBUILD funds. The department does not have staff assigned to monitor public contracts for NJBUILD contributions. Furthermore, N.J.S.A. 52:38-7 requires an annual report be published for NJBUILD detailing all public works contracts subject to this law, the funds collected, training programs funded, and performance results for those training programs. We noted the last report was issued March 30, 2011 for the period of September 1, 2009 through December 15, 2010.

**Recommendation**

We recommend the division utilize all funds collected as prescribed by the NJBUILD statute or communicate to the New Jersey State Legislature that the NJBUILD percentage of public contracts be decreased.

**Observations**

**Individual Training Grants**

The Division of Workforce Development (division) offers funding for occupational training to eligible unemployed and underemployed participants through a network of One-Stop Career Centers managed by 17 Workforce Investment Boards (WIBs). The funding is available under the auspices of the Workforce Innovation and Opportunity Act (WIOA) and the New Jersey Workforce Development Program. All approved training should be related to a labor demand occupation and listed on the New Jersey Training Opportunities website. Between July 1, 2011 and June 30, 2016, WIBs approved 33,081 Individual Training Grants (ITGs) for occupational training. Based on our sample of 99, we estimated the average cost of an ITG during this period was $3,600.
Participant Employment Outcomes

According to N.J.S.A. 34:1A-86, an effective occupational training program should result in permanent employment and increased earnings following the completion of training. Of the 17 WIBs, 15 utilize America’s One-Stop Operating System (AOSOS) to track participant employment outcomes. Based on data extracted from AOSOS, 47 percent of New Jersey’s ITG participants could not find employment within one year of completing the training, 36 percent were employed within 90 days of completion, and an additional 17 percent of participants were employed between 90 days and one year of completion. The division does not track if employment outcomes are related to training at the state level.

We conducted a survey of 24,791 ITG participants who completed the training between July 1, 2011 and June 30, 2015. Of 3,279 respondents that specified their employment outcomes:

- 42 percent could not find employment related to training within one year of completion.
- 37 percent found employment related to training within 90 days of completion.
- 58 percent found employment related to training within one year of completion. Of these participants, 22 percent submitted their surveys from outside of New Jersey. This may indicate that these participants found employment outside the state.

A random sample of case files for 146 ITG participants supported the survey results. We observed that 34 percent of these participants obtained employment related to training within 90 days of completion. Additionally, 27 percent of 90 applicable sampled participants submitted a new unemployment insurance claim within two years of completion of training.

Participant Placement

Many WIBs rely on training providers to place participants in employment related to training. Of the 17 WIBs, 14 are responsible for 77 percent of all ITGs and indicated that they consider training providers to be primarily responsible for participant placement in employment. Our survey asked ITG participants whether the training provider was helpful in their job search. Of 3,272 participants who answered this question:

- 48 percent indicated they received no or nominal assistance from the provider.
- 15 percent found employment with the provider’s assistance.
- 37 percent indicated the provider was helpful but they found employment on their own.

Participant Wages

To determine the employment status of participants, the division tests for the presence of unsubsidized wages greater than $0 in the second quarter after completion of training. While
this method complies with WIOA performance reporting requirements, it is based on the assumption that any wages greater than $0 provide evidence of a successful employment outcome. As required by WIOA, the division reported that 82 percent of Dislocated Worker participants and 78 percent of Adult participants successfully entered employment for the reporting period October 1, 2014 through September 30, 2015. Some of these participants earned wages below the 2015 federal poverty level of $2,942 per quarter.

Per our request, the division staff calculated that more than 20 percent of Dislocated Worker participants and more than 23 percent of Adult participants who found employment had wages below the poverty level. Consideration of wage levels could provide a better measurement of participant success.

**Reporting, Performance Monitoring, and Oversight**

*Reporting of Expenditures*

Pursuant to the Workforce Innovation and Opportunity Act, Workforce Investment Boards (WIBs) are required to submit monthly spending reports for Dislocated Worker, Adult, and Youth programs. These reports have limited information, but provide total amounts spent on program costs, participant training costs, administrative costs, occupancy costs, and salaries.

We performed an analysis of expenditures of 15 WIB areas to determine how funding was distributed in fiscal year 2016. We observed that each WIB spends a different percentage of their total program costs on participant training with the amounts varying widely.

- For the Dislocated Worker category, participant training costs averaged 45 percent of total spending, while the highest was 74 percent and the lowest was 17 percent.

- For the Adult category, participant training costs averaged 47 percent of total spending, while the highest was 66 percent and the lowest was 17 percent.

- For the Youth category, participant training costs averaged 55 percent of total spending, while the highest was 81 percent and the lowest was 25 percent.

The Division of Workforce Development (division) does not provide sufficient guidance on how the funds should be distributed or reported. It was indicated by 8 of the 17 WIBs that some of their questions went unanswered by the division. There were large differences in the percentages of funding that go toward participant training costs. There may also be differences in the way expenditures are reported to the division. It is difficult to determine which WIBs are spending a reasonable amount of funding on participant training costs. Limited reporting requirements also inhibit the ability of the Department of Labor and Workforce Development to audit local spending. The audits are limited to one month of program spending and WIBs are made aware of the selected month prior to commencement of the audit.
Participant tracking and use of the AOSOS system

The division does not monitor training costs per individual participant. America’s One-Stop Operating System (AOSOS) was designed to track the cost of training by participant, but this function is not uniformly utilized. Based on our testing, the average cost of occupational training was $3,600 between July 1, 2011 and June 30, 2015. In our random sample of 99 participant files, the total obligated amount and the total cost of training were recorded incorrectly in AOSOS 30 percent and 40 percent of the time, respectively. Seven of the 17 WIBs routinely recorded a standard obligated amount for this training. Proper utilization of the AOSOS system would allow the division to monitor the cost per participant.

Participant Funding

We observed that the benefits available to participants vary amongst the WIBs. Six of them limit total funding for occupational training to $4,000 per participant. Eight others limit tuition costs to $4,000 per participant while other costs such as books, fees, and supplies are not limited. The three remaining WIBs have higher funding limits for low-income participants. Further guidance provided to the WIBs would help prevent variations in participant funding.

Training-related Placement

When evaluating training provider performance, 9 of the 17 WIBs require participants to find employment related to their training in order for the provider to receive credit. Two of the WIBs require their training be at least helpful to the job, while six WIBs accept any employment paying above minimum wage as a successful training outcome.

In an effort to improve participant employment outcomes, 11 of the WIBs have established performance-based contracts with placement benchmarks. These WIBs withhold a portion of the tuition until the participant is placed in employment within a specified timeframe of up to one year. Of these 11 WIBs, only eight required the employment to be related to their training for the provider to be compensated for placement. The training providers were compensated for any type of employment by the remaining three WIBs.

One WIB utilizes a quota system that prevents training providers with poor employment outcomes from receiving any future ITG funding.

Facilitating improved communication among the WIBs would provide an opportunity to share strategies and best practices.
August 25, 2017

Stephen Eells, State Auditor
Office of Legislative Services
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Trenton, New Jersey 08625

Dear Mr. Eells:

The following is the New Jersey Department of Labor and Workforce Development’s (LWD) response to your agency’s Draft Report, dated August 1, 2017, of LWD’s Division of Workforce Development.

Finding – Labor Demand Occupation List

The department has been and remains committed to ensuring that training investments are aligned with the needs of employers. The department has created Talent Networks to build partnerships with employers, regularly produces labor market information reports on the workforce needs of key industries and has developed a list on industry valued credentials based on extensive employer input. The Demand Occupation List is an additional element of this larger effort.

The Labor Demand Occupations List was last updated in 2015. LWD is committed to updating the Labor Demand Occupations List every 2 years as required by the statute and is currently implementing process improvements measures that will allow the list to be updated on an annual basis. In regards to the use of various data elements in the methodology, LWD is committed to using data elements that are accurate and required by the State statute. Therefore, we are making efforts to ensure that the data elements utilized, which are self-reported by third parties, have been validated and are reliable and accurate before applying them to any calculations. In regards to growing occupations LWD will investigate the most accurate way to track these industries. The 2,000 employee minimum was an arbitrary threshold set by LWD. LWD’s efforts to update the Labor Demand Occupations List on a yearly basis will give clients a more accurate and timely picture of the job market.

Finding – Eligible Training Provider List

Performance and accountability are integral to the Department’s newly established ETPL regulations and procedures. While the NJTOPPS website currently displays performance outcomes, LWD is committed to ongoing improvements to data methodology to ensure training providers continue to provide in demand skills to New Jersey’s workforce.

The Workforce Innovation and Opportunity Act (WIOA) requires the Governor to establish eligibility procedures for training providers seeking placement onto the ETPL. LWD’s Center for Occupational Employment Information (COEI) established formal ETPL application procedures and materials which became effective August 1, 2016. Eligibility procedures require all training providers seeking placement on, or renewal on, the ETPL to comply with the newly developed formal application process on an annual basis.
basis. As part of the formal application process, COEI verifies that the provider has up-to-date student records uploaded into the NJTOPPS system. Providers who have not been properly submitting student record data are afforded an opportunity to do so (5 business days). Failure to comply with the student record reporting requirement results in the denial of the provider’s application.

The current CRC displays the long term success of former trainees over one or more time periods following the completion of training as is required by PL 2013, c. 208. Specifically, the CRC displays average participant earnings at 6 months, 1 year and 2 years after completion of training. The CRC is mandated to be compiled annually; however, COEI updates the data every 6 months (June and December per year) and displays the performance outcomes on the NJTOPPS website.

**Finding – Skills Partnership Training Grants**

In 2015, LWD deployed a new contracting and tracking system known as SAGE (System to Administer Grants Electronically). The implementation of this system has dramatically reduced the number of open grants and increased the number of grants with closeout reports. The program area established business rules whereby the final bill cannot be submitted without the inclusion of a closeout report. There is also a built in rolling dashboard that updates regularly containing names of employees, courses trained and total clock hours of training received. Additionally, with the realignment of the unit to include all Business Services, beginning with FY 18, the LWD has begun the process of including regular field visits to grant awardees which will include the monitoring of ongoing progress as well as connecting to other LWD Employer Services. Finally, grantees who still do not submit closeout reports are precluded from receiving additional grant funds from LWD until all requirements of the initial grant are met.

**Finding – NJBUILD**

The NJBUILD program has been successfully training women and minorities in the construction trades for many years. In the current and previous fiscal years, LWD is projected to fully commit all available NJBUILD funding. Furthermore, LWD has engaged members of the Legislature and construction trades industry to identify emergent training needs across the state that can be satisfied via the NJBUILD program.

The New Jersey Department of Labor and Workforce Development’s utilization of NJBUILD funds is consistent with N.J.S.A. 52:38-7. Projects are identified and assessed as funds become available throughout the fiscal year.

If you need any additional information please contact Jerry Calamia, Director of the Office of Internal Audit at (609) 292-1885 or Gerald.Calamia@dol.nj.gov.

Sincerely,

Aaron R. Fichtner, Ph.D.
Commissioner

c:  Catherine Starghill  
    Gregory Townsend  
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    Jeffrey Stoller  
    Jerry Calamia