

Discussion Points

1. The State Disability Benefits Fund (SDBF) is used by the State's Temporary Disability Insurance (TDI) program to provide partial wage replacement for workers who become disabled due to injury or illness unrelated to work and to pay for administration of the benefits from the SDBF. The proposed Budget appropriates \$50 million from the SDBF for transfer to the General Fund as State revenue (page F-7).

- **Question:** Please provide the value of revenues, benefits and administrative expenditures, and the cash balance in the SDBF for each month in calendar year 2005 and as many months as possible for calendar year 2006 and an estimate for 2007.

Response: See Schedule I attached.

2. In response to Office of Legislative Services (OLS) questions during the review of the FY 2006 budget, the department projected that during FY 2005, job training would be provided to an estimated 47,475 individuals by the Workforce Development Partnership (WDP) program, to 18,270 individuals under the Workforce Investment Act (WIA), and 8,200 under the Work First New Jersey (WFNJ) program, thus providing training to a total of 74,395 individuals. The department projected at that time the number receiving training would decrease, by 346, to 74,049 in FY 2006.

- **Question:** a. Please indicate for each of the following programs, how many individuals were trained during FY 2005 and how many are expected to be trained during FY 2006 and FY 2007: WDP individual training grants (ITA's) for dislocated workers; WDP ITA's for disadvantaged workers; WDP customized training grants; WDP occupational safety and health training; WDP Youth Transitions to Work; WDP Supplemental Workforce Development Benefits; Workforce Investment Act (WIA) dislocated worker training; WIA adult training; WIA youth training; WFNJ Temporary Assistance for Needy Families (TANF) recipient training; WFNJ Food Stamp recipient training; and WFNJ General Assistance recipient training? Please indicate any overlap between the categories.

Response: See attached Schedule II page 1.

b. Please indicate for each of the programs listed above, in each of the indicated years, the cost per individual trained and what portion of total program costs reflects direct training costs and what portion reflects administrative overhead.

Response: See attached Schedule II page 2.

c. Please indicate for each of the programs listed above, for FY 2006 and FY 2007 (estimated), the total amount appropriated and what portion of the funding is appropriated to the Department of Labor and Workforce Development and what portion, if any is appropriated to the Department of Human Services.

Discussion Points (Cont'd)

Response: See attached Schedule II page 3.

d. Please provide any available data regarding the effectiveness of each program in assisting individuals without jobs to find employment providing self-sufficiency and assisting already employed individuals to retain employment or raise earning levels.

Response: The workforce programs administered by the Department of Labor and Workforce Development have a proven track record of providing services and training that help individuals to secure and retain employment while increasing their earnings. Program services and training are needed to increase workers' occupational, literacy and workplace skills so that they may obtain employment and become self-sufficient.

In fiscal year 2005 under the WIA program, 21,724 Adults, Dislocated Workers and Youth who needed additional services and/or training to secure employment received counseling, testing, occupational skill training and other services to achieve this goal. The total number of WIA participants includes primarily those who received occupational or other skill training. Of the 3,131 Adults who exited the program, 3,001 or 95 % were employed during the first quarter after exit. Of the 4,089 Dislocated Workers who exited the program, 3,970 or 97% were employed during the first quarter after exit. Comparing pre-program and six months post program wages, the Adult program participants experienced an average \$3,989 wage increase, while the Youth program participants experienced an average \$3,492 increase. The average Dislocated Worker wage replacement rate six months after exiting the program was 107% of the pre-training wages.

LWD also provides funding for occupational skills training for dislocated workers through the State's Workforce Development Partnership Program (WDP). Of the 2,687 individuals who exited during fiscal year 2005, 2,565 or 95% were employed in the first quarter after exit. 2,369 or 92% were still employed three quarters after exit.

Of the 9,783 who exited the TANF program, 8,378 or 85% were employed the first quarter after exit and 5,870 or 70% were still employed in the third quarter after exit.

3. The Workforce Development Partnership (WDP) Program provides training grants to disadvantaged and displaced workers, as well as to employers, to provide training to their employees. The WDP program is funded by worker and employer payroll taxes on wages subject to unemployment (UI) taxes. The proposed budget estimates that these payroll tax revenues, plus investment earnings, will generate approximately \$99.1 million in FY 2007 (page H-27). The proposed budget includes language (pages D-265) transferring \$35.6 million from the WDP fund to the New Jersey Youth Corps (\$1.9 million) and Work First New Jersey Program (\$33.7 million).

Discussion Points (Cont'd)

- **Question:** For FY 2005, please provide the following actual data for each component of the WDP program (customized training, displaced worker training, disadvantaged worker training, youth training, occupational safety and health training, program administration, and transfers to programs other than WDP) and provide estimates of the same information for FY 2006 and FY 2007, based on the assumption that the percentages which are required by statute to be deposited in accounts for each component will remain in effect:

- The amount the department was required to spend under the WDP law's mandated allocations (from FY 2006 forward, the amounts required to be deposited in the accounts for each allocation), and the amount actually spent;
- The amount transferred out of the fund for each purpose not indicated in the WDP law (such as the Work First New Jersey and New Jersey Youth Corps programs);
- The balance at the end of the year; and the amount encumbered as a reserve for future payments of multi-year grants for each WDP program component;
- From FY 2006 forward, estimates of any amount anticipated to remain in the account at the end of the fiscal year exceeding 20% of the amount deposited for the year and thus required to be deposited into the unemployment compensation fund.

Response: See Schedule III attached.

4. In the department's answers to the OLS questions for the FY 2006 budget, it was estimated that the balance of the UI fund would be sufficient to continue UI tax rates during FY 2006 and FY 2007 in the "A" tax schedule, which provides the lowest UI tax rates for employers. These balances were estimated to be sufficient to continue the "A" schedule, even after the diversion of UI tax revenues to the Health Care Subsidy Fund (HCSF) for FY 2006 was increased by \$100 million (from \$250 million in the proposed budget to \$350 million under P.L.2005, c.123). The report of the Labor and Workforce Development Transition Policy Group, issued on January 10, 2006, however, projected that the UI fund balance would be sufficiently reduced by March 31, 2007 to trigger the "B" schedule for FY 2008, which would increase UI taxes by more than \$250 million. The report also asserts that even a small diversion (of "a few million dollars") would trigger the "C" tax schedule, which would increase taxes more than \$250 million higher than the "B" schedule.

- **Question:** If, as proposed in the FY 2007 budget, UI tax revenues are not diverted to the HCSF, what will the estimated UI fund balance be on March 31, 2007? ...on March 31, 2008? What UI tax schedule will be triggered as a result in FY 2008 and FY 2009?

Response: See Schedule IV attached.

- Please provide an estimate of the "Unemployment Compensation Fund Reserve Rate Calculation" (including the 3/31 fund balance, taxable wages for the prior calendar year, and the reserve ratio) for FY 2007, FY 2008 and FY

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2009, based on the assumption that no diversion will be made. Please provide the assumptions underlying your estimates, including unemployment rates and anticipated UI benefit payment. What does the department estimate the total revenue in UI taxes will be if the "A" schedule is in effect during FY 2008?"B" schedule? "C" schedule?

Response: See Schedule IV attached.

5. The FY 2006 Budget provided a new \$1 million appropriation for Supported Employment Services for mental health clients in State funded supportive employment programs. The FY 2007 Recommended Budget continues this appropriation.

- **Question:** Please indicate the expenditures to date for this initiative. Please provide an update on the effectiveness of the program and the number of individuals assisted. What goals does the department have for the program in FY 2007?

Response: The Mental Health Supported Employment (MH-SE) Initiative is being administered in accordance with the fiscal year 2006 appropriations act and takes into account the recommendations made by the Governor's Task Force on Mental Health.

The MH-SE Initiative goals include the expansion of Supported Employment (SE) services to enable an additional 450 individuals with mental illness to participate in the program. Through the MH-SE Initiative our Division of Vocational Rehabilitation Services (DVRS) has increased the availability of SE services for individuals with mental illness to bring about the attainment and retention of employment.

DVRS has partnered with the Division of Mental Health Services (DMHS) in the Department of Human Services and with other DVRS approved SE service providers towards the accomplishment of the MH-SE Initiative goals. For the current fiscal year to date, 582 additional individuals with mental illness have participated in the MH-SE initiative. As part of the MH-SE Initiative, DMHS has enrolled 267 individuals with mental illness into the SE system of services during the first two quarters of the 2006 state fiscal year (7/1/05 – 12/31/05). Through our approved SE providers DVRS has brought in 315 individuals with mental illness into the SE system of services during the first eight months of the 2006 state fiscal year. We have committed \$500,000 to DMHS for their use in serving these clients and have expended or committed approximately \$466,000 through the first eight months of the fiscal year serving clients in DVRS' approved SE programs.

In fiscal year 2007, we expect to continue to partner with DMHS in providing these very valuable services to at least 1,000 individuals with mental illness.

6. In FY 2005, legislation reorganizing the Department of Labor and renaming it the Department of Labor and Workforce Development took effect (P.L. 2004, c.39). This reorganization transferred from the Departments of Human Services and Education all

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employment-directed and workforce development activities. According to the report of the Labor and Workforce Development Transition Policy Group, the Department of Human Services (DHS) has refused to execute part of the Memorandum of Understanding with the Department of Labor and Workforce Development (DLWD), "seriously jeopardizing" future federal funding to the State. Specifically the DHS has not transferred "To Work" case management funding to the DLWD. Federal law requires that 50 percent of welfare caseloads must be classified as "To Work" or else the State will lose federal funds. The report also indicated that postponement in this transfer of case management funds from DHS to DLWD has delayed scheduling welfare clients for "To Work" activities.

- **Question:** Please indicate whether the DHS and DLWD have resolved the issue of the transfer of "To Work" case management funding. When does the department expect to see results for "To Work" welfare clients as a result of the transfer? Approximately how much federal funding could the department lose for "To Work" recipients if this transfer has not been implemented? Please address the matter of delays to clients waiting for "To Work" services. How many individuals were impacted by the delayed transfer to DLWD of case management funding?

Response: The issue of an equitable allocation of the existing case management funds between the Departments of Human Services (DHS) and Labor and Workforce Development (LWD) has been resolved. The fiscal year 2007 budget request includes \$11 million for case management services. For the current program year DHS and LWD has agreed to reallocate approximately \$2 million of Career Advancement Voucher Program (CAVP) dollars to the case management function.

If LWD does not receive to-work case management work activities funding the State could potentially lose \$40 million dollars (5% penalty on the TANF Block Grant) for failure to meet the Federal Participation Rate requirement of 50%. We estimate that 8,000 more participants must be enrolled in work activities to meet the participation rate increase. Case management staff is needed to evaluate and assign these participants to appropriate work activities.

One-Stop Centers have been staffing their to-work case management functions through funding designated for other purposes, such as actual work activities and training for other One-Stop customers (Unemployment Insurance Recipients, Dislocated Worker, and other non-welfare customers). The result has been that UI claimants, dislocated workers, non-welfare customers, and employers have service limitations imposed that were previously available to meet their workforce needs. It also imposed a service limitation on the welfare customer by diverting work activity dollars to case management function.

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7a. The department is currently supporting two new programs which connect training programs with institutions of higher education, one for blue collar workers and one for former welfare recipients.

The first program, New Jersey Pathways Leading Apprentices to a College Education ("NJ Place"), provides credit towards college degrees for classroom and other work in apprenticeship programs in trades like plumbing and pipefitting, carpentry, heat and frost insulation, electrical work and ironworking. Agreements have been reached between various contractor associations and trade unions and the State's 19 community colleges to provide apprentices with associate degrees and credit towards baccalaureate degrees.

- **Question:** What manpower and funds has the department, or other public partners, committed to the NJ Place program? How is the department coordinating its NJ Place activities with other related department activities, such as the awarding of Youth Transition to Work grants and registering new apprenticeship programs? List the agreements which have been made between apprenticeship programs and colleges under NJ Place and the number of apprentices expected to be affected. Indicate any plans to involve in NJ Place other construction trades or other occupations.

Response: The Department of Labor and Workforce Development has two contracts supporting the NJPLACE initiative. The first is with the Council of County Colleges in the amount of \$234,545, which covers the period July 1, 2004 to June 30, 2006. The second is with Thomas Edison State College in the amount of \$137,500, for the period October 20, 2004 to June 30, 2006. The Council contract funds the administrative costs for the NJPLACE Director. The Thomas Edison contract helps to offset the costs associated with apprenticeship program evaluations conducted by American Council on Education (ACE), but facilitated by Thomas Edison.

In the development of the new Notice of Grant Opportunity (NGO) for YTTW in FY07, the Department is requiring that the NJPLACE program be incorporated into proposed consortiums planning to prepare students for careers in certain construction trade areas.

To date, five (5) unions have been evaluated by ACE and are participating in the NJPLACE program. We are promoting the NJ PLACE initiative as part of all of the Department's apprenticeships grant programs and activities such as the upcoming Eastern Seaboard Apprenticeship Conference in Atlantic City which 700 people are expected to attend.

A statewide model of an Associate of Applied Science Degree in Technical Studies has been coordinated and approved for 11 of the 19 community colleges. Schools that are offering the Technical Studies degree to students by November 2005 include:

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Burlington	Mercer	Salem
Camden	Morris	Sussex
Cumberland	Passaic	Warren
Essex	Raritan Valley	

Technical Studies Degree Proposals

The degree programs being developed for articulation between the Community Colleges and Labor Organizations are:

1. Associate of Applied Science in Technical Studies, 60 credits
2. Associate of Applied Science in Technical Studies, 60 credits
Business Management Concentration
3. Associate of Applied Science in Technical Studies, 60 credits
Construction Management Concentration

The following organizations have been evaluated by the American Council on Education and have had college credit recommendation reports finalized. They will soon all be available for in-depth viewing at the American Council on Education's website.

- International Brotherhood of Electrical Workers
- International Association of the Heat and Frost Insulators & Asbestos Workers
- International Association of the Bridge, Structural, Ornamental and Reinforcing Iron Workers
- NJ Regional Council of Carpenters
- United Association of Journeymen and Apprentices of the Plumbing and Pipefitting Industry

To date, approximately 150 apprentices are participating in the NJ PLACE program.

The Department of Labor and Workforce Development plans to fund the NJPLACE initiative for FY07. NJPLACE has already been contacted by the Operating Engineers and the Laborers requesting evaluations during FY07. For the current time, it appears that NJPLACE will only be focusing on the building trades. The program's goal is to expand this initiative to other apprenticeable occupations.

7b. The second program, the Supplemental Workforce Development Benefits ("Smart Steps") program, was started in 2005 and uses up to \$5 million per year in Workforce Development Partnership funds. Smart Steps is intended to assist not more than 1,500 former welfare recipients with children to participate in full-time, work-related education towards a college degree in a field which will enable the attainment of economic self-sufficiency.

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- **Question:** How many individuals are now enrolled in the Smart Steps program and how many are anticipated to be enrolled in FY 2007? How much funding has been provided to assist the individuals from other sources, such as federal childcare funds and Pell grants? What percentage of the individuals have been successfully progressing in their education? What, if any, difficulties have been caused for the Smart Steps programs by problems in coordination between the department and the Department of Human Services indicated in Discussion Point 6?

Response: Smart STEPS enrollments are currently at 469 of which 93 are in a 4-year college program, 375 are in a 2-year college program, and 1 is in a college preparatory program through the Department's Workforce Learning Link. Twenty-six enrollees have completed their college program.

All college tuition and college costs must be paid for by the Smart STEPS enrollees via Pell grants or other resources which the OSCC counselors assist the individual in arranging. Child care costs are provided through the Department of Human Services.

It is estimated that if we receive level funding we can support a total of 500 slots in SFY 2007. As Smart STEPS participants complete their degree programs or leave prior to completing the degree requirements the vacated slot will be filled.

Smart STEPS coordination problems have not been a major concern since the One-Stop Career Centers have had case management responsibility and may use existing One-Stop Counseling staff to provide case management services. The One-Stop Operators are reimbursed for case management services and receive reimbursement for administrative costs at a rate not to exceed 7% of program costs.

TEMPORARY DISABILITY INSURANCE FUND
CASH FLOW ANALYSIS
FY 2005
 (in millions)

MONTH	BEG BLNCE	NET CONT	ASSMTS	INVEST INC	ST PLAN BNFS	4F BNFS	ADMIN EXP	OTHER	RESIDUAL EQTY TRF	END BLNCE
JULY 2004	\$ 95.0	\$ 21.5	\$ 5.5	\$ 0.1	\$ 37.2	\$ 2.1			\$ 30.0	\$ 52.8
AUGUST	52.8	113.9	15.3	0.1	39.3	2.1	\$ 32.1			108.6
SEPTEMBER	108.6	9.2	1.5	0.1	36.6	2.3				80.5
OCTOBER	80.5	9.7	2.6	0.1	35.5	1.9				55.5
NOVEMBER	55.5	74.5	0.4	0.2	36.2	2.0				92.4
DECEMBER	92.4	3.6	0.3	0.2	35.1	2.1				59.3
JANUARY	59.3	14.1	-	0.1	34.8	2.1				36.6
FEBRUARY	36.6	45.3	0.1	0.1	31.7	1.6				48.8
MARCH	48.8	5.4	-	0.1	36.5	2.1				15.7
APRIL	15.7	14.7	-	-	35.0	1.7				(6.3)
MAY	(6.3)	164.7	0.5	0.3	36.1	2.2				120.9
JUNE	120.9	11.6	0.2	0.3	36.1	2.1		\$ 1.3		96.1
TOTAL	\$ 95.0	\$ 488.2	\$ 26.4	\$ 1.7	\$ 430.1	\$ 24.3	\$ 32.1	\$ 1.3	\$ 30.0	\$ 96.1

TEMPORARY DISABILITY INSURANCE FUND
CASH FLOW ANALYSIS

FY 2006
(in millions)

MONTH	BEG BLNCE	NET CONT	ASSMTS	INT INC	ST PLAN BNFS	4F BNFS	ADMIN EXP	RESIDUAL EQTY TRF	OTHER	END BLNCE
JULY 2005	\$ 96.1	\$ 15.3	\$ 6.6	\$ 0.2	\$ 35.9	\$ 1.7				\$ 80.6
AUGUST	80.6	119.1	16.4	0.5	41.7	2.0				172.9
SEPTEMBER	172.9	11.5	5.7	0.4	38.5	2.1	\$ 33.8	\$ 20.0		96.1
OCTOBER	96.1	24.0	0.7	0.3	36.0	1.9				83.2
NOVEMBER	83.2	65.7	0.6	0.4	35.1	2.0				112.8
DECEMBER	112.8	0.9	0.7	0.4	33.8	1.9				79.1
JANUARY	79.1	15.3	(0.6)	0.2	35.7	1.7				56.6
FEBRUARY	56.6	50.4	1.6	0.3	31.4	1.7		\$ 0.9		76.7
MARCH	76.7	1.7	0.4	0.2	37.0	1.9				40.1
APRIL	40.1	15.5	0.1	0.1	36.6	1.8				17.5
MAY	17.5	174.1	0.1	0.1	37.7	2.3		90.0		61.9
JUNE	61.9	12.3	7.4	0.2	37.7	2.2				41.8
TOTAL	\$ 96.1	\$ 505.8	\$ 39.7	\$ 3.4	\$ 437.0	\$ 23.1	\$ 33.8	\$ 110.0	\$ 0.9	\$ 41.8

ASSUMPTIONS:

1. Actual information used for July 2005 - March 2006.
2. The State Plan Benefits will increase by 4.43% (rate CY 2004 compared to CY 2003).
3. The 4F Benefits will increase by 4.43% (the same rate as State Plan).
4. The State Plan taxable wages will increase by 4.4% in CY 2005 and 5.7% in CY 2006.
5. The assessment bills will be mailed June 2006.
6. There was a Residual Equity Transfer was \$110 million in FY 2005. \$20 million was transferred to the General Fund in September 2005 and \$90 million will be transferred in May 2006.

TEMPORARY DISABILITY INSURANCE FUND
CASH FLOW ANALYSIS
FY 2007
(in millions)

MONTH	BEG BLNCE	NET CONT	ASSMTS	INT INC	ST PLAN BNFS	4F BNFS	ADMIN EXP	RESIDUAL EQTY TRF	OTHER	END BLNCE
JULY 2006	\$ 41.8	\$ 16.2	\$ 13.4	\$ 0.1	\$ 37.5	\$ 1.8				\$ 32.2
AUGUST	32.2	125.9	4.6	0.3	43.5	2.1				117.4
SEPTEMBER	117.4	12.2	2.0	0.3	40.2	2.2	\$ 34.0			55.4
OCTOBER	55.4	25.4	1.0	0.2	37.6	2.0				42.4
NOVEMBER	42.4	69.4	0.5	0.2	36.7	2.1				73.8
DECEMBER	73.8	1.0	0.5	0.2	35.3	2.0				38.2
JANUARY	38.2	16.2	0.2	0.1	37.3	1.8				15.6
FEBRUARY	15.6	53.3	0.1	0.1	32.8	1.7				34.5
MARCH	34.5	1.8	0.1	0.1	38.6	2.0				(4.1)
APRIL	(4.1)	16.4	0.1	-	38.2	1.9				(27.7)
MAY	(27.7)	183.5	0.1	0.1	39.4	2.4		\$ 50.0		64.2
JUNE	64.2	12.9	7.4	0.2	39.4	2.3		\$ 1.0		44.1
TOTAL	\$ 41.8	\$ 534.0	\$ 30.0	\$ 1.8	\$ 456.4	\$ 24.2	\$ 34.0	\$ 50.0	\$ 1.0	\$ 44.1

ASSUMPTIONS:

1. The State Plan Benefits will increase by 4.43% (rate CY 2004 compared to CY 2003).
2. The 4F Benefits will increase by 4.43% (the same rate as State Plan).
3. The State Plan taxable wages will increase by 5.7% in CY 2006 and 5.4% in CY 2007.
4. The assessment bills will be mailed June 2007.
5. There will be a Residual Equity Transfer of \$50 million in FY 2007.

Schedule II page 1

	Fiscal Year 2005		Fiscal Year 2006		Fiscal Year 2007	
	Participants		Projected Participants		Projected Participants	
	Receiving Services	Receiving Training	Receiving Services	Receiving Training	Receiving Services	Receiving Training
WDP – ITAs - Dislocated/Disadvantaged Workers	4,077	4,077	4,000	4,000	4,000	4,000
WDP – Customized Training Grants	38,146	38,146	40,000	40,000	47,000	47,000
WDP – Occupational Safety and Health Training	14,475	14,475	13,216	13,216	14,500	14,500
WDP – Youth Transitions to Work	2,118	2,118	1,200	1,200	2,100	2,100
WDP – Supplemental Workforce Development Benefits	7,550	7,550	10,300	10,300	11,411	11,411
WIA – Dislocated Worker	7,267	4,414	7,300	4,414	5,000	2,274
WIA – Adult	5,632	3,322	5,600	3,322	4,500	3,322
WIA – Youth	8,825	N/A	8,800	N/A	7,000	N/A
WFNJ – TANF Recipient	14,826	8,569	15,000	8,569	15,000	8,569
WFNJ – Food Stamp Recipient	3,400	1,020	3,400	1,020	3,400	1,020
WFNJ – General Assistance Recipient	3,531	1,706	3,500	1,706	3,500	1,706
Totals	109,847	85,397	112,316	87,747	117,411	95,902

WDP – Workforce Development Partnership
 ITA – Individual Training Grant Agreements
 WIA – Workforce Investment Act
 WFNJ – Workfirst New Jersey
 TANF – Temporary Assistance for Needy Families

FY 05

	Total Cost Per Trainee	Direct Training Costs	Administrative Overhead
WDP - ITAs - Dislocated/Disadvantaged Workers	\$3,041	\$12,398,157	(1)
WDP - Customized Training Grants	\$590	\$22,506,140	(1)
WDP - Occupational Safety and Health Training	\$129	\$1,867,275	(1)
WDP - Youth Transitions to Work	\$1,298	\$2,749,164	(1)
WDP - Supplemental Workforce Development Benefits	\$496	\$3,744,800	(1)
WIA - Dislocated Worker Training	\$2,052	\$9,057,528	(2)
WIA - Adult Training	\$1,822	\$6,052,684	(2)
WIA - Youth Training (*)			
WFNJ - TANF recipient training	\$2,053	\$17,592,157	(3)
WFNJ - Food Stamp/General Assistance recipient training	\$1,848	\$5,037,648	(3)

FY 06

	Total Cost Per Trainee	Direct Training Costs	Administrative Overhead
WDP - ITAs - Dislocated/Disadvantaged Workers	\$2,558	\$10,232,000	(1)
WDP - Customized Training Grants	\$326	\$13,040,000	(1)
WDP - Occupational Safety and Health Training	\$145	\$1,916,320	(1)
WDP - Youth Transitions to Work	\$2,110	\$2,532,000	(1)
WDP - Supplemental Workforce Development Benefits	\$577	\$6,943,100	(1)
WIA - Dislocated Worker Training	\$2,243	\$9,900,602	(2)
WIA - Adult Training	\$2,384	\$7,919,648	(2)
WIA - Youth Training (*)			(2)
WFNJ - TANF recipient training	\$2,460	\$21,079,740	(3)
WFNJ - Food Stamp/General Assistance recipient training	\$2,809	\$7,858,500	(3)

FY 07

	Total Cost Per Trainee	Direct Training Costs	Administrative Overhead
WDP - ITAs - Dislocated/Disadvantaged Workers	\$2,800	\$11,200,000	(1)
WDP - Customized Training Grants	\$511	\$24,017,000	(1)
WDP - Occupational Safety and Health Training	\$134	\$1,943,000	(1)
WDP - Youth Transitions to Work	\$1,238	\$2,599,800	(1)
WDP - Supplemental Workforce Development Benefits	\$666	\$7,600,000	(1)
WIA - Dislocated Worker Training	\$2,243	\$5,100,000	(2)
WIA - Adult Training	\$1,957	\$6,500,000	(2)
WIA - Youth Training (*)			(2)
WFNJ - TANF recipient training	\$2,451	\$21,000,000	(3)
WFNJ - Food Stamp/General Assistance recipient training	\$2,641	\$7,200,000	(3)

(1) WDP limits administrative costs to 10% of any training contract.

(2) WIA limits administrative costs to 10% of the total allocation.

(3) WFNJ limits administrative costs to 12% of the total allocation.

(*) Youth receive services not direct training.

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	FY 06		FY 07	
	LWD	DHS	LWD	DHS
WDP – ITAs - Dislocated Workers	\$12,700,000	\$0	\$15,365,000	\$0
WDP – ITAs – Disadvantaged Workers	\$3,100,000	\$0	\$3,600,000	\$0
WDP – Customized Training Grants	\$23,000,000	\$0	\$28,000,000	\$0
WDP – Occupational Safety and Health Training	\$1,500,000	\$0	\$1,800,000	\$0
WDP – Youth Transitions to Work	\$2,600,000	\$0	\$3,000,000	\$0
WDP – Supplemental Workforce Development Benefits	\$15,000,000	\$0		\$0
WIA – Dislocated Worker Training	\$31,300,000	\$0	\$20,000,000	\$0
WIA – Adult Training	\$22,600,000	\$0	\$20,000,000	\$0
WIA – Youth Training	\$23,100,000	\$0	\$20,000,000	\$0
WFNJ – TANF recipient training	\$23,000,000	\$20,105,000	\$23,000,000	\$20,105,000
WFNJ – Food Stamp/General Assistance recipient training	\$10,700,000	\$5,770,000	\$10,700,000	\$5,770,000

* Smart Steps allocation

Workforce Development
 FY 2005 (actual) FY 2006 (estimated) FY 2007 (estimated)
 as of 6/30/06

SCHEDULE III

	100.0%	10.5%	25.0%	6.0%	45.0%	3.0%	5.0%	5.5%	
	Total	Admin.	Ind. Grants	Disadvant.	Cust. Trng	OSHA	YTTW	To Work Activities	Unallocated
Balance July 1, 2004	\$ 62,566,804	\$ 1,757,571	\$ 9,195,788	\$ -	\$ 27,530,418	\$ 705,706	\$ 1,911,793	\$ 20,524,540	\$ 940,986
FY 2005 Actual									
Allocation	\$ 91,274,000	\$ 9,583,770	\$ 22,818,500	\$ 5,476,440	\$ 41,073,300	\$ 2,738,220	\$ 4,563,700	\$ -	\$ 5,020,070
Expenditures	\$ 86,123,064	\$ 7,499,482	\$ 12,680,581	\$ 102,534	\$ 14,149,471	\$ 907,668	\$ 2,918,418	\$ 47,864,910	\$ -
Encumbrances (non-add)	\$ 61,000,000	\$ -	\$ 7,500,000	\$ 2,500,000	\$ 38,000,000	\$ 1,400,000	\$ 1,200,000	\$ 7,400,000	\$ 3,000,000
Subtotal	\$ 67,177,740	\$ 3,841,859	\$ 19,333,707	\$ 5,373,906	\$ 54,454,247	\$ 2,536,258	\$ 3,557,075	\$ (27,340,370)	\$ 5,961,056
Allocation of Diversion	\$ -	\$ 3,570,000	\$ 8,600,000	\$ 2,200,000	\$ 15,500,000	\$ 1,000,000	\$ 2,100,000	\$ (35,540,000)	\$ 2,570,000
Balance	\$ 67,177,740	\$ 271,859	\$ 10,733,707	\$ 3,173,906	\$ 38,954,247	\$ 1,536,258	\$ 1,457,075	\$ 8,199,630	\$ 3,391,056
Balance net of encumbrances	\$ 6,717,740	\$ 271,859	\$ 3,233,707	\$ 673,906	\$ 854,247	\$ 136,258	\$ 257,075	\$ 799,630	\$ 391,056
20% Limitation	\$ 18,254,800	\$ 1,916,754	\$ 4,563,700	\$ 1,095,288	\$ 8,274,660	\$ 547,644	\$ 912,740	\$ -	\$ 1,004,014
Excess to be sent to UI fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 2006 Estimate									
Allocation	\$ 96,600,000	\$ 10,143,000	\$ 24,150,000	\$ 5,796,000	\$ 43,470,000	\$ 2,898,000	\$ 4,830,000	\$ -	\$ 5,313,000
Expenditures	\$ 95,540,000	\$ 6,400,000	\$ 12,700,000	\$ 3,100,000	\$ 22,840,000	\$ 2,100,000	\$ 2,600,000	\$ 43,000,000	\$ 2,800,000
Encumbrances (non-add)	\$ 62,000,000	\$ -	\$ 7,000,000	\$ 2,000,000	\$ 39,000,000	\$ 400,000	\$ 1,000,000	\$ 10,600,000	\$ 2,000,000
Subtotal	\$ 68,777,740	\$ 4,014,859	\$ 22,183,707	\$ 5,869,906	\$ 59,584,247	\$ 2,334,258	\$ 3,687,075	\$ (34,800,370)	\$ 5,904,056
Allocation of Diversion	\$ -	\$ 4,000,000	\$ 11,385,000	\$ 2,732,400	\$ 20,493,000	\$ 1,366,200	\$ 2,277,000	\$ (45,540,000)	\$ 3,286,400
Balance	\$ 68,777,740	\$ 14,859	\$ 10,798,707	\$ 3,137,506	\$ 39,091,247	\$ 968,058	\$ 1,410,075	\$ 10,739,630	\$ 2,617,656
Balance net of encumbrances	\$ 6,777,740	\$ 14,859	\$ 3,798,707	\$ 1,137,506	\$ 91,247	\$ 568,058	\$ 410,075	\$ 139,630	\$ 617,656
20% Limitation	\$ 19,320,000	\$ 2,028,600	\$ 4,830,000	\$ 1,159,200	\$ 8,694,000	\$ 579,600	\$ 966,000	\$ -	\$ 1,062,600
Excess to be sent to UI fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
FY 2007 Estimate									
Allocation	\$ 97,000,000	\$ 10,185,000	\$ 24,250,000	\$ 5,820,000	\$ 43,650,000	\$ 2,910,000	\$ 4,850,000	\$ -	\$ 5,335,000
Expenditures	\$ 100,350,000	\$ 5,810,000	\$ 20,000,000	\$ 4,800,000	\$ 25,700,000	\$ 2,750,000	\$ 3,000,000	\$ 33,740,000	\$ 4,550,000
Encumbrances (non-add)	\$ 57,000,000	\$ -	\$ 6,000,000	\$ 2,000,000	\$ 35,000,000	\$ 400,000	\$ 1,000,000	\$ 11,500,000	\$ 1,100,000
Subtotal	\$ 65,427,740	\$ 4,389,859	\$ 15,048,707	\$ 4,157,506	\$ 57,041,247	\$ 1,128,058	\$ 3,260,075	\$ (23,000,370)	\$ 3,402,656
Allocation of Diversion	\$ -	\$ 3,931,700	\$ 8,885,000	\$ 2,132,400	\$ 15,993,000	\$ 666,200	\$ 1,777,000	\$ (35,540,000)	\$ 2,154,700
Balance	\$ 65,427,740	\$ 458,159	\$ 6,163,707	\$ 2,025,106	\$ 41,048,247	\$ 461,858	\$ 1,483,075	\$ 12,539,630	\$ 1,247,956
Balance net of encumbrances	\$ 8,427,740	\$ 458,159	\$ 163,707	\$ 25,106	\$ 6,048,247	\$ 61,858	\$ 483,075	\$ 1039,630	\$ 147,956
20% Limitation	\$ 19,400,000	\$ 2,037,000	\$ 4,850,000	\$ 1,164,000	\$ 8,730,000	\$ 582,000	\$ 970,000	\$ -	\$ 1,067,000
Excess to be sent to UI fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note: Data in shaded areas are for display purposes only and are not included in the calculation of the ending balance.

**UNEMPLOYMENT COMPENSATION FUND
RESERVE RATE CALCULATIONS
FISCAL YEARS 7/06 - 7/09
(in millions)**

Schedule IV

	7/06 \$350 mil. DIVERSION (Estimated)	7/07 NO DIVERSION (Estimated)	7/08 NO DIVERSION (Estimated)	7/09 NO DIVERSION (Estimated)
Fund Balance 3/31	\$ 1,037.7	\$ 1,020.4	\$ 1,231.2	\$ 1,505.9
Taxable Wages Prior Cal. Yr.	\$ 67,943.4	\$ 71,816.1	\$ 75,694.2	\$ 79,478.9
Reserve Ratio	1.53%	1.42%	1.63%	1.89%
Benefit Payments	\$1,827.5	\$1,761.8	\$1,767.0	\$1,863.4
Column in Tax Table	A	A	A	A
Insured Unemployment Rate	2.7 - 3.0%	2.6 - 2.8%	2.5 - 2.6%	2.5%
Revenues Column A - estimated			\$ 1,961.0	
Revenues Column B - estimated			\$ 2,248.1	
Revenues Column C - estimated			\$ 2,508.8	