Discussion Points

1a. Hurricane Sandy made landfall in New Jersey as a Tropical Storm on October 29 and wreaked havoc throughout the State, causing in excess of $37 billion in damage. In the aftermath of the storm, it was difficult for many people to get to work, or their workplaces were severely damaged and closed temporarily or permanently. In fact, reports from the Department of Labor and Workforce Development (DLWD) indicate that several One Stop Career Centers were closed until at least Tuesday, November 13, 2012 (almost two weeks after the storm). Over 100,000 more individuals filed unemployment insurance claims in the two weeks after Hurricane Sandy than in the two weeks prior to the hurricane. Some of these individuals are still not able to return to their former employment. The majority of these individuals were able to access UI benefits through the regular UI system; however, approximately 3,000 individuals were eligible for federal Disaster Unemployment Assistance (DUA).

DUA is available to persons who do not have employment due to a disaster and are not eligible for regular unemployment insurance benefits. Instances where an individual may collect DUA include: the self employed; persons with an injury caused by the disaster; persons who can not reach their place of work; persons who cannot work due to damage to the place of work; and individuals who become the head of household and are seeking work because the former head of household died as a result of the disaster. As of the February 4 deadline for DUA applications, the department had received 3,703 applications, approved 2,663 of these, disallowed 285 and was in the process of reviewing 755.

Question: a. How did the department deploy staff to address the overwhelming need for unemployment benefits? Did the department set up mobile offices in the hardest hit areas? Which One-Stop Career Centers were closed, and for how long were they closed?

Response:

When the disaster hit UI deployed its disaster continuity plan in relocating staff to the most affected areas.

Below are the action items UI has taken to address the increase in claims due to the disaster:

- Call Center staff was reallocated to One-Stop offices that were within the hardest hit areas from the storm.

- The Division of UI extended Call Center hours in both the morning and evening from 7AM to 7PM. The Call Centers were open on weekends 8AM to 3PM. This allowed for extended claims filing, claimant inquiries and extended use of the UI website www.njuifile.net.

- 20 Central Office staff members were deployed to answer incoming claimant phone calls.

Discussion Points (Cont'd)

- The department was in continued communication with its IT partners to ensure that the network was fully functioning in order receive online claim filings.
- The department worked with its banking provider who expanded its out of network usage of ATM machines without fees to the UI claimants.

There were no mobile offices set up by the Department only the FEMA center. When requested, UI staff was assigned to assist with UI and Disaster Unemployment Assistance issues in the FEMA centers.

All UI One-Stop offices were closed for the three day period between 10/29/12-10/31/12 due to the storm. Only our New Brunswick office was closed from 10/29-11/2/12 due to a power outage. Staff in New Brunswick was relocated to other offices.

b. What sectors of employment experienced the greatest losses from Hurricane Sandy immediately after the event and long term? What sectors of employment have increased since Hurricane Sandy? Does the department attribute any job growth in a particular sector to Hurricane Sandy? Please provide employment data, including jobs lost or gained pre- and post-Hurricane Sandy, for the sectors most impacted.

Response:

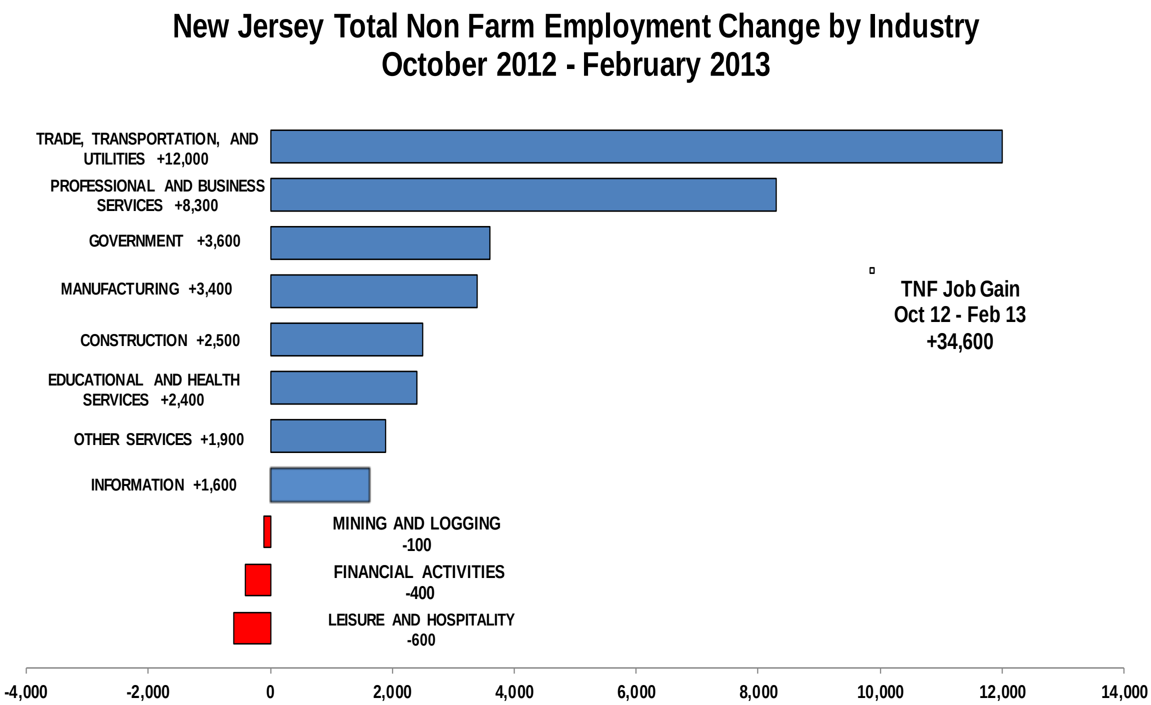
Initially, many businesses across the state were unable to operate due to either loss of power, flooding or direct storm damage. Fortunately, the situation turned out to be temporary in nature for the vast majority of business establishments in the state. Once power was restored and debris cleaned up, most affected businesses were operational. Statewide unemployment claims spiked in the first few weeks after Sandy made landfall.

In the hardest hit areas of the Jersey Shore, seasonal businesses, mostly related to tourism (accommodations, restaurants, retail, etc.), were either already closed for the summer season or in the process of winding down operations. As a result, the employment impact in the shore region may not be evident until data from the summer of 2013 can be analyzed.

Statewide monthly employment estimates that were benchmarked by the federal Bureau of Labor Statistics for all of 2012 showed a loss of 600 jobs immediately after the storm in November 2012, but a significant boost of 24,500 jobs in December 2012. However, preliminary monthly reports from the BLS in 2013 showed a total non-farm employment loss of 2,200 jobs in January 2013 followed by a 12,900 boost in total non-farm employment in February 2013.

Over the October 2012 – February 2013 period (latest data available) New Jersey employers have added 34,600 workers to their payrolls (0.9% N.J. growth vs. 0.6% nationally).

Discussion Points (Cont'd)



Private sector job gains over the period were led by an advance in the trade, transportation, and utilities sector (+12,000). Other sectors with significant gains included: professional and business services (+8,300), manufacturing (+3,400) construction (+2,500), and education and health services (+2,400). Three sectors recorded small employment losses over the period: leisure and hospitality (-600), financial activities (-400), and mining and logging (-100).

c. What were the reasons for 285 claims for DUA to be denied? What is the status of the 755 claims which were under review as of the February 4 filing deadline? Was additional staff hired to conduct the reviews?

Response:

USDOL statutes strictly define the eligibility criteria for DUA claims. DUA provides temporary benefits to individuals whose employment or self-employment has been lost or interrupted as a direct result of a declared disaster and who are not eligible for regular UI benefits. Direct result means an immediate result of the disaster itself and not the result of a longer chain of events caused or worsened by the disaster.

Below are the most often identified reasons why the DUA claims were denied as a result of Superstorm Sandy:

- The claimant's business/employment was not interrupted by the disaster.
- Since the storm took place after the summer season, the claimant fails to provide proof of working or operating a business

Discussion Points (Cont'd)

- The claimant failed to demonstrate that there was a promise of employment to take place at the time of the disaster.
- The claimant fails to file a timely DUA claim (application deadline 2/4/13).
- The claimant has a Business Interruption/Loss of Income Insurance policy that has been paid for the length of time the business was closed.
- The claimant may have been initially approved for DUA but in subsequent weeks was denied benefits, since work is available for the claimant; however, the claimant was not able or available to report to work due to personal reasons (i.e. no transportation, destruction of their home, lack of childcare).
- The claimant has the tools and means necessary to resume self-employment work but has not had any clients or sales.
- The claimant's primary source of income is not from his/her employment or self-employer, but rather from another source such as a pension or social security benefits.
- The claimant is a full-time student claiming benefits for part –time employment, and the income from that employment is not used for living expenses. Typically this is when the claimant is still dependent upon parents or guardian for living expenses.

All 755 open claims which were under review as of February 4, 2013 have been resolved. We hired three experienced retired staff members and reassigned an additional 51 other UI staff to the DUA project.

1b. On November 2, 2012, while the State was still reeling from the effects of Hurricane Sandy and many communities throughout the State were still without basic services, the federal Department of Labor approved a $15.6 million National Emergency Grant (NEG) to fund a plan to hire residents to assist with clean-up and recovery efforts in the State. The NEG was intended to fund temporary jobs through local government agencies to restore public lands and infrastructure. The federal government initially released $5.2 million of the total $15.6 million approved. Under the NEG, the temporary jobs were limited to six months or 1,040 hours and paid a maximum wage of approximately $12,000 per worker, excluding fringe benefits.

Question: a. Please provide the total funding received thus far through the NEG. How many individuals have been hired? In what counties? By what entities? Please provide the funding paid to each independent entity.

Response:

- To date, LWD has received $15,591,400.
- To date, 734 temporary workers have been hired through NEG.
- 12 Local Workforce Investment Boards (Atlantic/Cape May, Bergen, Cumberland/Salem, Essex, Greater Raritan, Hudson, Middlesex, Monmouth,

Discussion Points (Cont'd)

Morris/Sussex/Warren, Newark, Ocean, Union) and 2 state agencies (Department of Environmental Protection (DEP) and Department of Military and Veteran Affairs (DMAVA) have temporary workers employed to assist with clean-up and restoration projects.

Superstorm Sandy Disaster NEG

As of 4/10/13

County	Allocation	Total Participants hired in Temporary Jobs	Total Participants **Currently** Working
Atlantic	$815,443	73	69
Bergen	$1,683,828	50	43
Cumberland/Salem	$51,828	4	4
Essex	$1,912,584	118	117
Greater Raritan	$488,310	26	15
Hudson	$1,683,828	104	99
Middlesex	$319,927	17	15
Monmouth	$1,262,871	132	126
Morris/Sussex/Warren	$202,059	0	0
Newark	$608,694	45	43
Ocean	$1,010,297	61	61
Union	$976,620	65	50
DEP	$1,071,165	44	44
DMAVA	$856,526	12	12
Total	$12,943,980	751	698

b. If the State subcontracted with non governmental agencies or private contractors to hire the individuals, what were the agreed upon administrative costs to operate the program? How much money has been paid to the independent entities for salaries, administrative costs, fringe benefits? What non-governmental entities or private contractors received funding through the NEG?

Response:

NJLWD did not subcontract with non-governmental agencies or private contractors to hire temporary workers. All eligibility and recruitment was performed by the State's One-Stop Career Center system.

Discussion Points (Cont'd)

c. How many of the individuals in these jobs were paid prevailing wage? Please describe the types of jobs individuals were hired to perform through governmental, non-governmental or private entities.

Response:

Grants were awarded to government entities. The prevailing wage statue does not apply to employees of government entities The types of jobs individuals were hired to perform are: laborers to perform restoration projects and remove storm related debris from roadways, parks, and beaches; humanitarian workers to deploy shelter supplies, food, clothing, emergency equipment, and handle crisis calls; clerks to facilitate payroll and documentation of activities for temporary workers; skilled Maintenance Workers to perform electrical, plumbing, pipefitting, roofing, framing, HVAC, and vehicle repair; CDL certified drivers to operate dump trucks to remove debris and redistribute sand for dune system along shoreline; water resource specialists to perform data collection, management and mapping projects to ensure safe drinking water; computer specialists to restore lost data, and rebuild systems; and production workers to assist with sorting donations for distribution to faith and community based organizations.

1c. In addition to the NEG discussed above, the State also announced three recovery initiatives through the department: Recovery4Jersey, Skills4Jersey and Opportunity4Jersey. In the announcement of the programs, the department pledged a total of $26 million in appropriations. According to the department, the three programs are actually an evolution of current employer training programs, Customized Training and Basic Skills Training that were undergoing a transformation prior to Hurricane Sandy. The overwhelming need for employer training dollars post-Sandy led the department to expedite the new training programs and focus the funding entirely on employers and employees who were impacted by Hurricane Sandy. All of these grant opportunities were announced on December 11, 2012 and the first technical workshops for these were held on December 20, 2012. The overwhelming response to Skills4Jersey and Recovery4Jersey, resulted in the application process being suspended as of March 1, 2013. However, Opportunity4Jersey was still accepting applications as of March, 2013.

Recovery4Jersey was anticipated to expend approximately $11 million to encourage businesses to train existing employees and hire new workers in the recovery efforts. Examples given included utility companies hiring staff to improve their services, planning firms working on infrastructure repairs to bring on engineers and small businesses training employees on new equipment purchased to replace operations damaged by the storm.

Skills4Jersey was expected to expend $11 million in training grants to upgrade the occupations, literacy and safety skills of their current employees and train new workers for purposes of retaining highly skilled and high wage jobs in the State.

Opportunity4Jersey was expected to provide $4 million to consortiums of training organizations and community colleges with direct ties to New Jersey employers to address a "skills gap" employers identified in New Jersey even before Hurricane Sandy hit.

It is anticipated that the funding for these three programs would come from the New Jersey Workforce Development Partnership Fund (WDPF) and the Supplemental Workforce

Discussion Points (Cont'd)

Fund for Basic Skills. Both of these funds and their intended purposes are discussed in more detail below in Discussion Points # 17 and 19 of this analysis.

Question: a. Please list each of the grantee's names, the amount granted and details of each of the grants awarded through the Recovery4Jersey, Skills4Jersey and Opportunity4Jersey grant opportunities, including the number of new and existing employees trained or hired under the grant. Which of these grantees had not previously received grants through WDP funding?

Response:

See attached Schedule I for Skills4Jersey Awards.

Recovery4Jersey CT awards are as follows:

RECOVERY4JERSEY CT GRANTS

Company Name	Grant Amount	Estimated Trainees	Projected New Hires	Had a Previous Grant through WDP funds? Y / N
US Green Building Council = (30 participating companies)	$163,200.00	1030	250	Y
PSEG Power = (3 participating companies	$299,950.00	218	511	Y
Vantage Custom Classics Inc.	$24,000.00	12	22	Y
TDK Lambda Americas Inc.	$24,000.00	20	8	Y

Opportunity4Jersey awards are as follows:

OPPORTUNITY4JERSEY AWARDS

Company Name	Grant Amount	Estimated Trainees	Projected New Hires	Had a Previous Grant through WDP funds? Y / N
Gloucester County College	$150,000.00	25	25	Y
Workforce Advantage	$290,000.00	100	100	Y

b. How many total jobs were funded through these grants?

Skills for Jersey Awards are expected to train 70,622 trainees, Recovery4Jersey - 1,280, Opportunity4Jersey -125.

Discussion Points (Cont'd)

c. How many applications were submitted and how many were approved?

Response:

Skills4Jersey – 191 applications resulted in 169 grant awards

Recovery4Jersey CT program – four applications resulted in four grant awards

Opportunity4Jersey - 12 applications resulted in two grant awards

d. How much funding is remaining for the rest of FY 2013 for these programs?

Response:

There is approximately $1 million remaining in OSHA safety training.

The Opportunity4Jersey program builds on six successful pilot programs, launched in 2012, to train dislocated workers with skills needed by employers in key industries, including advanced manufacturing and financial services. Due to significant employer involvement, these pilot programs have had high placement rates. Approximately $3.6 million in funds remain after LWD awarded 2 contracts in January totaling $440,000. LWD will refocus $2 million from the Opportunity4Jersey program to focus on training qualified dislocated and disadvantaged workers with disabilities. The remaining $1.6 million will be used for an additional round of Opportunity4Jersey grants. LWD is working closely with the Talent Networks to further market this grant program to educational institutions, training providers, industry associations and employers.

e. From which funding stream of the WDPF are each of the programs funded? What effect did that reallocation of funds have on the existing training programs in FY 2013?

Response:

Skills4Jersey award funding is as follows:

Funding comes from WDP-CT funds
SWFBS-CT funds
WDP-Safety Training. funds

Recovery4Jersey CT award funding is as follows**:**

Funding comes from WDP-CT funds
SWFBS-CT funds
WDP-Safety Training funds

Opportunity4Jersey award came from WDP-Individual Training Grant funds

Discussion Points (Cont'd)

As funding has been reduced over the last several years LWD has chosen to combine the funding streams into a single program which allows for greater program flexibility. Applicants now only apply for the program which best meets their training needs whereas in previous years applicants applied by funding silo.

1d. In addition to the three initiatives discussed above, the department also appropriated $500,000 to create two new Talent Networks: A Sandy Recovery Talent Network and a Retail, Hospitality and Tourism Talent Network. According to the State, the Networks are intended to replicate the structure of the currently existing six Talent Networks in the State to allow a conduit to identify the exact needs and challenges in the business communities of these sectors of employment.

"Talent Networks" are a DLWD program intended to connect businesses in certain key industries with educational institutions, workforce development agencies, government and community groups to identify the skills and training Garden State employers require in prospective employees to remain competitive in the global market. By being trained in those skills, students and job-seekers will be able to find long-term jobs in New Jersey and help to boost the state's economy. Prior to the Sandy related initiatives, the six key industries for which Talent Networks had been operational included: transportation, logistics and distribution; life science; advanced manufacturing, financial services, health care, and technology and entrepreneurship.

Question: How much will the department expend in FY 2013 and FY 2014 on Talent Networks, by network or industry, and what is the source of funding for the existing six networks? Please provide details on the $500,000 appropriation and its use in establishing two new Talent Networks. Does this appropriation reflect new funding or a reallocation from the existing six Talent Networks? If the latter, please provide details. Was additional staff hired? Were materials produced? Were networking sessions held for affected employers?

Response:

NJ Talent Network Contracts Year 2 (FY 2013)

Talent Networks	**Year Two Amount**	**Year 2 Dates**
Advanced Manufacturing	$273,326	8/28/12- 6/30/13*
Financial Services	$ 80,000	4/1/13- 6/30/13
Health Care	$106,664	3/1/13- 6/30/13
Life Sciences	$279,992	8/18/12- 6/30/13
Technology/Entrepreneurship	$293,326	9/1/12- 6/30/13
Transportation/Logistics/Distribution	$ 79,998	4/1/13- 6/30/13
Subtotal	*$1,113,306*	

New Talent Networks	**Amount**	**Dates**
Recovery New Jersey	$250,000	4/1/13- 6/30/14
Northern Retail/Hospitality/Tourism	$200,000	4/1/13- 6/30/14
Southern Retail/Hospitality/Tourism	$200,000	4/1/13- 6/30/14
Subtotal of New TNs	*$650,000***	

Discussion Points (Cont'd)

Total Year 2 and New TNs ***$1,763,306***

NJ Talent Network Contracts Year 3 (FY 2014)

Advanced Manufacturing	$250,000	7/1/13- 6/30/14
Financial Services	$250,000	7/1/13- 6/30/14
Health Care	$250,000	7/1/13- 6/30/14
Life Sciences	$250,000	7/1/13- 6/30/14
Technology/Entrepreneurship	$250,000	7/1/13- 6/30/14
Transportation/Logistics/Distribution	$250,000	7/1/13- 6/30/14
Total Year 3	***$1,500,000****	

**start dates are different due to the date a TN fully expended year one funds*
***new funds will pay for staff of the Talent Network, materials, website, travel, event costs*
****it is expected that staff will remain the same and that administrative costs will be lower. Funded from WIA (90%) and from WDP Commissioner's Discretionary Fund (10%).*

All of the Talent Networks produced industry sector specific materials in coordination with the LWD. Materials such as brochures, flyers, booklets and PowerPoint presentations were distributed to employers as well as job seekers and are also available on our Jobs4Jersey.com website. All Talent Networks reach out to both employers and jobseekers through Industry specific networking events. In addition, the Talent Network directors attend Rapid Response events for employers who submit WARN notices to assist the affected employees in their effort to become reemployed.

In FY12 the LWD utilized a portion of two staff member's time for coordination of Talent Networks. In FY13 the LWD has one dedicated Talent Network Coordinator over seeing all efforts.

1e. Hurricane Sandy damaged or destroyed over 345,000 homes, business, schools, public buildings and various other structures. Many of these buildings contained hazardous and potentially dangerous asbestos and other materials that needed to be safely removed, presenting logistical and environmental issues to the affected areas.

P.L. 1984, c.173 (C.34:5A-32 et seq.), otherwise known as the Asbestos Control and Licensing Act, requires that asbestos abatement companies obtain State-issued licenses and that individuals performing asbestos work obtain State-issued asbestos worker or supervisor performance identification permits. The company asbestos license is dated when issued, contains the expiration date, and is signed by the Commissioner of Labor and Workforce Development. Similarly, the asbestos worker or supervisor performance identification permits issued to individuals are dated when issued, and contain the expiration date and signature of the Commissioner of Labor and Workforce Development. There are various annual fees for licenses and permits for asbestos removal.

Discussion Points (Cont'd)

Question: a. Please provide the number of permits and licenses issued by the department in FY 2012, and thus far in FY 2013, for work involving asbestos.

Response:

FISCAL YEAR 2012
Asbestos Worker and Supervisor Permits Issued: 1182
Asbestos Abatement Licenses Issued: 179

FISCAL YEAR 2013
Asbestos Worker and Supervisor Permits Issued to April 1, 2013: 1719
Asbestos Abatement Licenses Issued to April 1, 2013: 123

b. Has the State received any complaints about non-licensed contractors doing asbestos related work without permits? How many investigations are currently being conducted? Has the State issued any fines or penalties for asbestos related work being conducted without proper certification? Please detail the complaints filed and any fines or penalties issued, and any monies collected thus far.

Response:

There have been 17 logged complaints to date attributed to Superstorm Sandy and unlicensed companies doing asbestos abatement. Many of these sites contain asbestos and the problems have been jointly addressed by the LWD and the administration of the municipalities where the sites are located.

1f. A number of public entities are using a combination of local, State and federal money to rebuild and recover from Hurricane Sandy. Consequently, there have been numerous questions about the rules governing the use of this money, including whether the contracts need to be issued as part of project labor agreements and whether they are subject to prevailing wage laws.

(1) State law does not *require* that projects using federal, State or local funds participate in project labor agreements. P.L. 2002, c. 44 (C.52:38-1 et seq.) *authorizes* all public agencies (State, county, municipal, others) in New Jersey to include project labor agreements (PLAs) in all public works projects for the construction, reconstruction, demolition or renovation of buildings (other than pumping stations and water/sewage treatment plants) at public expense, for which the total cost of the project, exclusive of land acquisition cost, will equal or exceed $5 million. It is a permissive statute. According to reports, PLAs have been entered into by local entities for projects that are outside of the authorizing statute.

PLAs are a form of pre-hire collective bargaining agreement between a public agency or its representative or a construction manager and one or more labor organizations. The project labor agreement is binding on all public works contractors and subcontractors working on the project and concerns important issues of employment, including work hours, starting times, and procedures for resolving disputes. Project labor agreements cover project terms and conditions of employment for construction trade workers, and are often used for

Discussion Points (Cont'd)

major, multi-year construction projects. Project labor agreements typically require contractors to hire employees through the union hall referral systems. In return for this advantage, the unions agree to a no strike and no work stoppage provision. The department is tasked with producing an annual report on PLAs on December 31 each year.

Question: How many PLA contracts have public entities entered into in their efforts to recover and rebuild from the effects of Hurricane Sandy? How many of those PLA contracts are covered under P.L.2002, c. 44?

Response:

Since Superstorm Sandy happened a few months ago, many public works projects are still ongoing and any data that we would extract now would likely be incomplete. Additionally, unless the contractor identified the project as being Sandy-related, we would not know whether or not a PLA contract was part of the Superstorm Sandy recovery effort. Lastly, we wait at least a year to insure that data which are self-reported by contractors to the Department of Treasury are as complete as possible.

(2) State law does require that projects which meet certain criteria must pay prevailing wage to the workers engaged in those projects. According to the department, the "New Jersey Prevailing Wage Act," P.L.1963, c.150 (C.34:11-56.25 et seq.) "establishes a prevailing wage level for workers engaged in public works in order to safeguard the workers' efficiency and general well-being, and to protect them as well as their employers from the effects of serious and unfair competition resulting from wage levels that are detrimental to the efficiency and well-being of all concerned."

The act requires minimum rates of pay to laborers, craftsmen and apprentices employed on public works projects. Covered workers must receive the appropriate craft prevailing wage rate as determined by the Commissioner of Labor and Workforce Development. Prevailing wage rates are wage rates based on the collective bargaining agreements established for a particular craft or trade in the locality in which the public work is performed. In New Jersey, these rates vary by county and by the type of work performed.

Public works projects subject to the act are those funded in whole or in part with the funds of a public body. Contracts awarded directly by municipal government must be valued at $14,187 or more to be covered by the act. For all other public entities, including municipal utility authorities and boards of education, the threshold is $2,000.

Anyone interested in bidding on or engaging in any contract (or part thereof) for public work which is subject to the provisions of the prevailing wage act must register with the Division of Wage and Hour Compliance in the department as required by "The Public Works Contractor Registration Act" (PWCRA), P.L. 1999, c.238 (C.34:11-56.48 et seq.) which establishes a unified procedure for the registration of contractors and subcontractors engaged in public works building projects. The PWCRA requires an annual registration fee of $300. After successful completion of two consecutive years of registration, a contractor may elect to register for a two year period and pay a registration fee of $500.

Upon registration, the contractor and/or subcontractor will be issued a certificate indicating compliance with the requirements of the act. Public bodies are expected to require

Discussion Points (Cont'd)

proof of registration of all contractors bidding on the project and all subcontractors identified in such bids."

Question: How many complaints has the department received on prevailing wage violations for work undertaken for the recovery effort? How many violations of the prevailing wage act has the department determined in FY 2012 and thus far in FY 2013?

Response:

We received 507 cases for the period 7/1/2012 to 3/28/2013 (FY2013) and 740 cases for the period 7/1/2011 to 6/30/2012 (FY2012). The vast majority of cases result in violations.

2. The federal Budget Control Act of 2011 (Pub.L.112-25) and the American Taxpayer Relief Act of 2012 (Pub.L.112-240) provided for the sequestration of federal funds effective March 1, 2013 if an agreement on the future federal budget could not be reached. Although currently, there is still great uncertainty as to the effects of sequestration on the State, it is expected that extended unemployment benefits will be cut by approximately 10 percent per beneficiary, and federally funded employees may be furloughed.

Question: a. What guidance has the department been given by the federal government regarding the impact of sequestration on the State's federally funded employees and beneficiaries? What will be the effect on the employees and the beneficiaries?

Response:

See attached Schedule II.

The most significant impact on the Department will be a reduction in the payment of Emergency Unemployment Compensation (EUC) benefits. The USDOL has recommended that the reduction be implemented prior to July 1, 2013. We estimate that this reduction would mean a loss of about $112 million in federally funded unemployment insurance benefits.

b. What programs will be cut? By how much will these programs be reduced? Will general administrative costs associated with these programs be reduced?

Response:

In addition to the above response to question 2a, see attached Schedule II.

Discussion Points (Cont'd)

c. What, if any, notice has the department provide to affected persons? What, if any, contingency plans is the department making for any of the impacted programs?

Response:

We will be providing a notice to individuals receiving EUC benefits as to the reduction in their UI benefits. As to our administrative funding we believe that the reductions due to sequestration can be managed.

3a. The unemployment insurance compensation trust fund (UI trust fund) is the federally maintained account that is used to receive employer and employee UI taxes and to pay all State funded UI benefits. Due to continued high unemployment rates, the UI trust fund has been operating at a deficit since March, 2009. The balance of the fund affects the tax rate for employers for the following year.

On March 31 of each year, the State determines the reserve ratio in the fund, as statutorily required pursuant to N.J.S.A. 43:21-7. The ratio of the fund is used to establish the tax rate for employers in the following fiscal year. The tax rate is often referred to by its corresponding column in the statutorily established tax rate table, or columns "A" – "E", with "A" being the lowest tax rate and "E" being the highest tax rate.

In 2011, the reserve ratio was estimated to be *negative* 1.25% and would have triggered a shift to the highest tax rates imposed under the statute, or column "E" +10%, effective July 1, 2011. To avoid this increase on businesses, P.L.2011, c.81 (the act) was enacted, limiting the tax increase to the rates imposed under column "D" in FY 2012 and column "E" in FY 2013.

Additionally, for all years after FY 2011, the act increases the UI trust fund reserve ratios which are used to set employer UI tax rates in such a manner that larger reserves are required in the UI trust fund, than under the former law, to trigger a reduction of employer UI taxes. The change will result in the building up of UI trust fund reserves sufficient to reduce the likelihood that any future recession will result in the deep UI trust fund deficits which have caused such large employer UI tax increases during the current period of high unemployment. The new reserve ratio triggers provided by the act will still permit employer UI tax reductions as reserves accumulate, but the tax reductions will not be as large. The new reserve ratio triggers will have no effect on tax rates until the UI trust fund has a positive balance.

Furthermore, the act amended the provision requiring a 10 percent surcharge on employers' UI taxes when the UI trust fund's balance falls below a certain level. Previously, pursuant to N.J.S.A. 43:21-7(c)(F)(ii), if the UI trust fund reserve ratio, based on the UI trust fund balance of the previous March 31, was less than 0.05 percent, the contribution rate for each employer liable to pay contributions would be increased by a factor of 10 percent. The act increased the reserve needed to trigger the additional assessment from 0.05 percent to 0.1 percent, thus ensuring a larger balance in the UI trust fund to guard against fluctuations in the future tax rate.

As of March 31, 2013, the UI trust fund reserve ratio is anticipated to be 0.30 percent and will trigger a 10 percent surcharge on all employers' UI taxes in the State as of July 1,

Discussion Points (Cont'd)

2013. The Legislature has introduced and considered legislation (Senate Bill No. 2404) which will prevent this surcharge from occurring. Senate Bill No. 2404 has been approved by the Senate and awaits consideration by the Assembly and the Governor.

Question: a. Please provide the UI trust fund reserve ratio for 2012 and 2013 (including the 3/31 fund balance, any liabilities, taxable wages for the prior calendar year, and the reserve ratio) and estimates for 2014, 2015 and 2016. Please provide the assumptions underlying the department's estimates, on a monthly basis, including: insured unemployment rates; total unemployment rates; anticipated UI benefit payments (regular, extended benefits and temporary extended unemployment compensation); employer tax revenue; and employee tax revenue. What does the department estimate the total revenue in UI taxes will be if the "A" schedule is in effect during FY 2014, FY 2015 and FY 2016? ...."B" schedule? ....."C" schedule, "D" schedule, "E" schedule?

Response: See attached schedules III, IV, V.

b. Please provide a breakdown of the number of employers and employees in each tax rate under the current tax column.

Response:

Below is a listing of the rate structure for FY 2012-2013 together with the number of employers and employees in each rate category.
:

Fiscal Year 2012/2013 (Only Currently Active Employers)		
Employer UI Tax Rate	# of Employers	# of Employees
Reimbursable Accounts	709	271,845
1.2	55,278	429,338
1.6	11,507	225,379
1.9	10,137	299,537
2.3	16,072	376,469
2.6	6,601	362,237
3.0	5,046	237,545
3.4	55,624	563,079
3.7	3,975	182,815
3.9	3,567	175,004
4.0	3,171	133,986
4.1	2,696	98,816
4.3	2,501	94,060
5.4	3,709	9,969
6.1	5,631	135,227
6.2	4,306	100,193
6.3	3,409	64,226
6.4	2,693	49,073
6.5	2,254	32,338
6.6	2,939	50,752
6.7	2,403	28,627
6.8	1,882	31,636
6.9	1,487	22,098
7.0	14,913	190,228
Total	222,510	4,164,477

Discussion Points (Cont'd)

c. If Senate Bill No. 2404 is enacted into law and the 10% surcharge is eliminated for FY 2014, please detail what effect the corresponding reduction in revenue will have on: the number of additional months it will take the State to pay pack the loan on the UI trust fund; the additional interest that will be assessed on employers; and the FUTA tax compared to if the surcharge was triggered.

Response:

Please see the schedules below. Remaining at Table E does not appear to have a material impact as to the extending the time it will take us to repay the loan balance. Also remaining at Table E will not have an impact on the FUTA tax credit reduction since we would still have a loan balance as of November, 2013 regardless of the tax table being used. If we were to go to the E+10 table, we would save about $800,000 in interest expense.

UNEMPLOYMENT COMPENSATION FUND
LOAN BALANCE & INTEREST EXPENSE
CALENDAR YEARS 2013 - 2014
(in millions)

MONTH	LOAN BLNCE TABLE E	LOAN BLNCE TABLE E+10%
July	586.2	586.2
August	156.7	156.7
September	317.1	317.1
October	421.9	414.7
November	176.8	129.8
December	376.1	327.9
January 2014	540.4	485.0
February	459.1	376.5
March	534.2	450.2
April	612.6	520.4
May	-	-

Discussion Points (Cont'd)

d. If the State is planning to transfer funds into the UI fund to bolster the balance to avoid a future tax increase, please detail how this transfer will occur. From which fund will the monies be transferred? How long will the funds remain in the UI trust fund?

Response:

We are exploring every option available to reduce the tax burden on the employer community of the State. However, at this time no definitive plans have been formulated as to whether the general fund will advance funds to the Unemployment Insurance trust fund.

3b. Due to the high level of UI claims, the UI trust fund was depleted in FY 2009 and began to borrow from the federal government to pay benefits in March, 2009. Provisions of the American Recovery and Reinvestment Act (ARRA) of 2009, permitted these funds to be borrowed without interest until December 31, 2010. As of February 22, 2013, the State had an outstanding balance of $982 million owed to the federal government. Federal law requires that if a state has borrowed from the federal government and maintains a deficit two years after the state initiated the borrowing, then a reduction to the employers' Federal Unemployment Tax Act (FUTA) credit is initiated. The current FUTA tax rate is 6.0 percent on the first $7,000 in wages. This rate is offset with a credit of 5.4 percent, yielding a net tax of 0.6 percent ($42). However, since New Jersey was in deficit to the federal government as of March 2011, the 5.4 percent credit was reduced by 0.3 percent per year and employers began to pay a net tax of 0.9 percent on the first $7,000 in wages paid to each employee ($63) in 2012. This offset was further reduced by an additional 0.3 percent in 2013, for a total tax of 1.2 percent on the first $7,000 in wages ($84) per employee. In response to the OLS Discussion Points during the FY 2013 budget process, the department indicated that the reduction of the credit would most likely continue through 2014, with a FUTA tax of 1.5 percent, or $105 per employee in 2014. After this time, the department estimates that the loan will be repaid and the FUTA tax will return to 0.6 percent on the first $7,000.

Question: a. Please provide the total amount borrowed thus far from the federal unemployment account.

Response:

In April 2011 our loan balance was in excess of $2.0 billion which represents the height of our borrowing.

b. Please provide the current balance of the loan from the federal unemployment account. When does the State anticipate fully paying the debt?

Response:

As of April 8th our loan balance was $1.181 billion. We expect our loan balance to be in the vicinity of $300 million at the beginning of May, 2013. We expect to repay the debt by May, 2014.

Discussion Points (Cont'd)

c. Please provide an estimate for funds anticipated to be borrowed from the federal unemployment account, including any interest to be accrued, for CY 2013, CY 2014 and CY 2015.

Response:

See attached schedule IV, and our response to question 4b.a.

d. Please provide the schedule for the 0.3% reduction in the federal offset, and an estimate of the impact of this phasing out on New Jersey employers' tax burden, including an average per employee cost and an estimate of total revenue anticipated for each year from CY 2012 until the balance is repaid. What are the specific dates used by the federal government to determine if an offset will occur in the next calendar year? Since the offset is applied in one calendar year for the debt incurred in the previous calendar year, will employers still be subject to the higher FUTA tax for the calendar year subsequent to the UI trust fund loan debt being paid off?

Response:

In order for the FUTA tax reduction to be extinguished, the loan balance must be paid off by November 9 of the current year. If a FUTA loan balance exists on November 9, 2013, the tax indicated below for CY 2013 will be applicable.

UNEMPLOYMENT COMPENSATION FUND
FUTA CREDITS
CALENDAR YEARS 2011 - 2013

CY	COLLECTED	FUTA TAXABLE WAGE BASE	FUTA CREDIT REDUCTION	AMT PER EMPLOYEE
2011	2012	$7,000	0.3%	$ 21.00
2012	2013	7,000	0.6%	42.00
2013	2014	7,000	0.9%	63.00

4a. The Unemployment Compensation Auxiliary Fund (UCAF), established in subsection (g) of N.J.S.A.43:21-14, is a repository for all interest and penalties imposed upon employers for violation of unemployment insurance regulations. Moneys from the UCAF are to be used for the cost of the administration of the UI trust fund, for the repayment of any interest bearing advances made for the federal unemployment account and for essential and necessary expenditures in connection with programs, as determined by the commissioner.

In FY 2013 the Appropriations Act included language authorizing appropriations of up to $21.38 million from the UCAF. Schedule V in the department's response to the OLS Discussion Points during the FY 2013 budget process indicated that the UCAF balance would be $1.4 million at the end of FY 2013. The following expenditures were anticipated in FY 2013**:** $1.088 million for administrative and support services; $150,000 for unemployment compensation earned income tax credit costs; $2.5 million for certain UI collection activities; $14.114 million for the Division of Vocational Rehabilitation; $50,000 for

Discussion Points (Cont'd)

the Disadvantaged Youth Council; $484,000 for the Board of Mediation; $72,000 for the Council on Gender Parity; and $475,000 for the New Jersey Youth Corps. The Governor's FY 2014 Budget Recommendation would continue the FY 2013 language appropriations from the UCAF.

Question: a. Please provide the actual opening and closing balances of the UCAF for FY 2012 and anticipated for FY 2013, FY 2014 and FY 2015. Please list the expenditures, by subject or program area, from the UCAF for FY 2012 and anticipated for FY 2013, FY 2014 and FY 2015.

Response:

See schedule VI.

4b. Additionally, section 16 of P.L.1984, c.24 (N.J.S.A.43:21-14.3), provides that the Commissioner of Labor and Workforce Development must, on or before June 30 of each year, review the amount of interest owed to the United States Treasury for advances made from the federal unemployment account to pay State UI benefits and determine if the UCAF has the needed funds to repay the interest to the federal government by September of that calendar year. If it is determined by the commissioner that the UCAF has insufficient funds to repay the accrued interest, then the statute provides for a special assessment on employers, except governmental entities and nonprofit organizations. The assessment is determined by the department as a ratio of the amount of interest owed to 95 percent of the total employer contributions payable for UI on taxable wages during the preceding calendar year. This ratio is then applied to the individual employer's amount of unemployment contributions payable in the previous year to determine the amount of assessment.

N.J.S.A.43:21-14.3 also establishes the "Unemployment Compensation Interest Repayment Fund" to "be used solely for the purpose of paying interest due on any advances made from the federal unemployment account under Title XII of the Social Security Act (42 U.S.C. s1321 et seq.)" should the commissioner determine that there are not enough funds in the UCAF.

The money borrowed from the federal government was interest free until January 1, 2011. The first interest payment of approximately $48 million was paid to the federal government on September 30, 2011 and the second payment of approximately $44.7 million was paid to the federal government on September 30, 2012. In order to pay this amount, the department mailed Federal Loan Interest Assessment Statements in July of each year and the due date for the assessment was August of each year. Although, according to the department, a majority of the employers paid the assessments, only $45.8 million of the total $48 million was collected in 2011. According to the department, a portion of this payment was borrowed from the General Fund.

Discussion Points (Cont'd)

Question: a. Please provide the total amount of assessment that will be charged employers and an estimate of the average assessment per employer that was charged in FY 2012, FY 2013 and anticipated to be charged in FY 2014 and FY 2015.

Response:

See below. We do not anticipate an assessment for FY2015.

UNEMPLOYMENT COMPENSATION FUND
INTEREST EXPENSE
CALENDAR YEARS 2011 - 2014
(in millions)

PERIOD	ASSMT INTEREST EXP	TAXABLE WAGES	RATE	TAXABLE WAGE BASE	COST FOR 1 WORKER @WAGE BASE	NET AMOUNT BILLED	AMOUNT COLLECT
01/01/11 - 09/30/11	$ 48.0	$72,482.9	0.07%	$ 29,600	$ 19.60	$ 50.7	$ 47.1
10/01/11 - 09/30/12	44.7	73,210.1	0.06%	30,300	18.50	47.1	46.3
10/01/12 - 09/30/13 est	16.6	73,725.5	0.02%	30,900	6.96	17.4	
10/01/13 - 09/30/14 est	6.7	76,600.8	0.01%	32,100	2.81		

b. Please provide a timeline for the charging of this assessment in FY 2013 and FY 2014.

Response:

We anticipate the assessments for FY 2013 and FY 2014 will be made in the late spring or early summer.

c. Please provide the total amount of assessment that was charged employers and the total amount that was collected by the State. If employers did not pay the assessment, what kind of action did the State take?

Response:

Please refer to the response to 4a. We initiate a follow up billing on a quarterly basis with every employer that has not paid their assessment. In addition interest is charged on the unpaid amount. Refer to Response 9b for additional details.

d. Please provide the total amount of the balance paid to the federal government by the General Fund as a result of uncollected employer assessments.

Response:

We did not have to use general fund dollars for the payment made as of 9/30/12 nor do we anticipate using general fund dollars for the payment to be made on 9/30/13.

Discussion Points (Cont'd)

e. What penalty, if any, has the federal government imposed on states for late payments?

Response:

The Department is not aware of any state being delinquent in making payments.

5. The department imposes an "internal function" joint tax cost on the funds it oversees to pay for the administrative functions associated with these funds, including maintenance of employer accounts, auditing and collections. Furthermore, the Division of Revenue in the Department of the Treasury, under an agreement with DLWD, imposes an additional charge to certain funds for functions related to the receipt of employer tax reports and remittances, commonly known as "shared costs." These shared costs are charged to the Family Leave Insurance Account, the State Disability Benefits Fund, the Workforce Development Partnership Fund, and the Unemployment Insurance Fund, among others.

a. Please explain how the allocation of costs is determined among funds/programs by both the DLWD and the Division of Revenue.

Response:

As required by federal cost principles, costs associated with revenue collection are allocated to all benefitting programs using a cost allocation plan. To determine the allocation to each benefitting program, the DLWD Joint Tax Allocation Plan used direct personnel costs along with interviews and observations of employees within the various operating sections as well as data such as the number of registered employers, delinquency and follow-up billings, judgments and refunds. Complexity factors were developed for some activities in order to provide proper weighting for the level of sophistication and detail required for specific work assignments. Division of Revenue cost sharing allocations are based on the percentage of transactions processed as related to the various tax programs.

b. Please provide expenditures, by fund, for the shared costs by fiscal year since FY 2010 through FY 2014 projected.

Response:

See schedule VII.

b. Is cost sharing calculated as part of the administrative costs of the TDI and FLI funds prior to the calculation of the following year's tax rate for employers and employees?

Response:

The cost sharing is included as part of the administrative costs and used in formulating the rates for employers and employees.

Discussion Points (Cont'd)

c. Is cost sharing calculated as part of the 15 percent dedicated to administrative costs for the WDPF pursuant to budget language on page D-242 of the FY 2014 Budget Recommendation?

Response:

We have not had to use the 15% dedicated to administrative costs, since the 10% allocation provided by the WDP statute for administrative costs has been sufficient.

6a. Sections 3 and 4 of P.L.2010, c.37 established the New Jersey Unemployment Insurance Task Force to "study and assess the current unemployment insurance (UI) crisis and recommend how the State can stabilize the unemployment insurance fund." Specifically, the work of the task force included, but was not necessarily limited to, an evaluation of the following: eligibility standards; benefit levels; certain definitions, such as "suitable work"; the statutory matrix for payroll tax triggers; contribution and the experience rating table; collections of overpayments of unemployment; methods used in order to get individuals off unemployment insurance benefits; the statutory and regulatory framework for the treatment of misconduct; and other areas relevant to the short-term and long-term solvency of the unemployment insurance fund.

The 12 member bipartisan UI Task Force convened in October 2010 and made recommendations through an initial report issued on February 25, 2011. The Task Force Report included two recommendations, which were both incorporated into P.L.2011, c.81: phase in an annual employer tax increase over the next three years; and achieve long-term fiscal stability by returning the UI Fund tax "bands" to the FY 2003 tax structure.

The Task Force continued to meet in 2011 and 2012 to address other issues that impact revenue and benefit costs. There was a second report issued in January 2012 with the following recommendations: change employer experience rating in tax table; identify seasonal industries and end UI eligibility for seasonal employees during their off season; implement stricter work search requirements for UI claimants; include workers' compensation and severance pay in the determination of UI benefits; retain the current "suitable work" requirements and upgrade information technology; and, eliminate base-year criteria for benefits charging. Additionally, the Task Force reviewed two other issues, but did not make recommendations regarding them: UI benefits paid to private employees working in public schools during school breaks and UI benefits paid to striking workers.

A third report issued in December 2012, recommended that the Legislature act to suspend the 10 percent surcharge on the UI tax rate for FY 2014. As discussed previously, Senate Bill No. 2404 has been approved by the Senate and, if enacted, will suspend the 10 percent surcharge. The task force also recommended that legislation be enacted requiring employers to maintain an electronic address with the department for all UI correspondence. The task force plans to continue to study the method used to compute weekly UI benefits for eligible UI recipients.

Discussion Points (Cont'd)

Question: a. Please provide an update on the Task Force's meetings and proposals made to the Legislature. Please provide the current membership of the Task Force and its schedule for the upcoming year.

Response:

The Unemployment Insurance Task Force held its final meeting in December 2012. Appointed by Governor Chris Christie, the Task Force membership includes representatives from business, labor, and elected officials. There were six voting members and six non-voting members, which are all listed below:

Voting Members
Co-Chair Ed Fedorko, Mechanical & Allied Crafts Council of New Jersey
Co-Chair Melanie Willoughby, New Jersey Business and Industry Association (NJBIA)
Michael Capelli, New Jersey Regional Council of Carpenters
Laurie Ehlbeck, National Federation of Independent Business (NFIB)
Geri Kelly, Columbia Bank, on behalf of Commerce and Industry Association of New Jersey
Ray Pocino, Vice-President, Eastern Regional Manager, Laborers' International Union of North America

Non-Voting Members
Joseph Egan, Assemblyman, District 17, Chairman, Assembly Labor Committee
Peter Isberg, Automatic Data Processing, Inc.
Fred H. Madden, Jr, Senator, District 4, Chairman, Senate Labor Committee
Steven V. Oroho, Senator, District 24
Gary Chiusano, Assemblyman, District 24
Harold J. Wirths, Commissioner, New Jersey Department of Labor and Workforce Development

b. Has the department conducted any updated analysis, since it responded to the FY 2013 OLS Discussion Points, of the savings attributed to its recommendations in the January 2012 report? If so, please share these with the Legislature.

Response:

The Department has not conducted an updated analysis.

c. What is currently prohibiting the department from requiring employers to maintain electronic addresses with the department? Why is legislation needed? What is the estimate of cost savings attributed to primary electronic communication?

Response:

There is no statute or existing regulation that requires employers to have an e-mail address, nor is there any requirement to provide their email address.

Discussion Points (Cont'd)

The Department had several web applications developed for employers which provide them with information specific to their account, such as taxes owed, taxes paid, and experience rating. From our existing web applications less than 10% of employers have enrolled in spite of repeated marketing of the applications.

We have found that employers do not voluntarily enroll in an application, even if the application has numerous benefits to the employer.

We estimate cost savings attributed to electronic communications to be in excess of $500,000.

6b. In addition to the other issues it plans to study, the UI Task Force is reviewing the modified misconduct provisions established by P.L.2010, c.37. The statute amended the UI eligibility criteria for workers who are terminated for misconduct or who voluntarily quit their jobs. The new eligibility requirements are a three-tiered structure, established as simple misconduct, severe misconduct and gross misconduct. This compares to the previous structure which identified two levels of misconduct, general and gross misconduct. Gross misconduct included any discharge from employment because of the commission of an act punishable as a crime of the first, second, third or fourth degree under the New Jersey Code of Criminal Justice. General misconduct was all other misconduct that resulted in termination. Persons who were terminated due to general misconduct, had to wait five weeks and then could apply for UI benefits. Person who were discharged due to gross misconduct had to secure other employment for four weeks and earn six times their weekly benefit rate and be laid off again before they could apply for UI benefits. Under the new system, those discharged due to simple misconduct must now wait 7 weeks from their termination date to receive benefits, severe misconduct must now be reemployed for at least 4 weeks and earn at least 6 times their weekly benefit before receiving UI, and those charged with gross misconduct must be reemployed for at least 8 weeks, with earnings of at least 10 times their weekly benefit, before receiving UI.

On January 7, 2013, regulations were proposed to implement P.L.2010, c.37. This is the second set of regulations proposed for that law, with the first set proposed in 2010, but not adopted. The regulations define what constitutes simple, severe and gross misconduct.

In response to the OLS Discussion Points during the FY 2013 budget process, the department estimated that the UI trust fund saved approximately $100 million from July 2010 through March 2012 due to the amended misconduct definitions.

Question: a. Please provide the numbers of individuals who were denied benefits or whose benefits were delayed for misconduct, by the type of misconduct (simple, severe or gross), in FY 2010, FY 2011, FY 2012 and thus far in FY 2013.

Response:

See schedule VIII.

b. Please report the numbers of appeals for the denial or delay of benefits due to worker misconduct that were reported in FY 2010, FY 2011, FY 2012 and

Discussion Points (Cont'd)

thus far in FY 2013. Please report on the outcome of the appeals and the average amount of time required to resolve the appeals.

Response:

Fiscal Year	Misconduct Denial Appeals
FY 2010	11,290; of which 1,681 were appealed to the Board of Review
FY 2011	14,586; of which 2,134 were appealed to the Board of Review
FY 2012	14,007: of which 1,539 were appealed to the Board of Review
FY 2013 (Though Feb 2013)	7,451; of which 1,070 have been appealed to the Board of Review

Historically, The Appeals Tribunal (AT) affirms, or affirms with modifications, 75% of initial UI determinations of eligibility that are appealed. Recent time-lapse averages are provided in the responses to question 7a.

c. Please provide the savings realized by the UI trust fund due to the application of the new misconduct definitions in FY 2011, FY 2012 and thus far in FY 2013. Please be specific as to how these savings were achieved and to which type of misconduct the savings can be attributed.

Response:

See Schedule VIII.

6c. In addition to establishing the UI Task Force and modifying the misconduct definition, P.L.2010, c.37 also extended the length of time an individual must be employed in subsequent employment after becoming unemployed due to a "voluntary quit" (from four weeks to eight weeks) before that individual can collect unemployment again.

Question: Please provide the savings realized by the UI trust fund due to the longer requalification time for individuals collecting unemployment after "voluntary quits" or simple misconduct terminations in FY 2010, FY 2011, FY 2012 and thus far in FY 2013. Please be specific as the savings attributed to each change.

Response:

Voluntary quit data is not tracked in the UI benefits system to show the number of claims that initially were determined to be a voluntary quit and the claimant subsequently found employment for eight weeks (previous requirement was six weeks) and was again laid off due to no fault of the claimant.

Simple misconduct information was provided in Schedule VIII - $51 million.

Discussion Points (Cont'd)

7. During the week of August 20 – 24, 2012, four representatives of the United States Department of Labor (USDOL) visited the State Department of Labor and Workforce Development to conduct a review of the Lower Authority Appeals program in the Unemployment Insurance program, as well as to review other 2013 State Quality Service Plan related items. The visit was a follow up due to the State's designation for the previous two years as "At-Risk" in its Lower Authority Appeals program and more than five years of missing its Lower Authority Appeals program's timeliness standards. At the end of the visit, the department participated in a "close out" discussion and was provided with a list of 11 observations made by USDOL on certain issues that the State should address to improve its appeals process. Among the many issues highlighted (as summarized by the USDOL in a letter to the commissioner dated September 25, 2012, also referred to as Document #696951) were: understaffing of the appeals program; the outdated computer system used for UI claims; the overpayments due to delays in processing appeals; the structure and physical location of the appeals units; and, the absence of a training program for appeals examiners. The federal department planned to continue to meet electronically with the State department to further discuss how these issues could be resolved.

Additionally, on October 1, 2012, the Senate Labor Committee received testimony from the department on the appeals process and the reports of delays in processing appeals of unemployment benefit determinations, as well as several other issues. At the hearing, the department's Chief of Staff testified about the backlog of appeals.

Question: a. Please detail the current backlog of cases at the Board of Review and the Appeals Tribunal. How long are cases waiting for their initial determination? How long are cases being held before a subsequent determination? What is the average length of a case in appeal at both levels? What specific steps has the department taken to expedite these reviews?

Response:

- For the week ending April 5, 2013, the Board of Review (BOR) has 677 pending cases.
- For the week ending April 5, 2013 the Appeal Tribunal (AT) has 10,851 pending cases.
- Case preparation at the AT and BOR begins immediately upon receipt in either forum of a request for appeal.
- As of April 5, 2013, the average age of pending appeals in BOR is 39.3 days.
- The current caseload of the BOR is fully compliant with Federal time-lapse standards.
- As of April 5, 2013, 47.5% of all pending cases in the AT are decided within 30 days of appeal; 77.3% are decided within 45 days of appeal.

Discussion Points (Cont'd)

b. Please provide to the Legislature the actions the department has taken on each of the 11 suggestions that the federal Department of Labor provided to the State in August, 2012.

Response:

In response to the USDOL audit we have taken the following action:

1. Increased Staffing
   - The AT hired 8 new Appeals Examiners (AEs) and filled 4 vacancies to increase AE staffing from 43 to 55.
   - The supplemental budget request (SBR) funding provided by the USDOL allows for the hiring of 6 additional AE for one year; Recruitment is in progress.
   - AT will supplement permanent staff as necessary with the recall of interested retirees and explore alternate methods of temporarily increasing hearing capability, including the use of para-legal and military advocate personnel.
2. Implemented a Formal Training Program
   - A Formal training program curriculum was established and the program was first offered to 8 new AEs on December 7, 2012.
   - Training exhibits have been standardized and a training video made from December session for use at subsequent sessions.
3. Completed an Inventory of Cases
   - Physical inventory of cases concluded in November 2012.
   - 2,157 cases added to inventory and baseline statistics were established for internal and external reporting purposes.
4. Streamlined the Appeals Process
   - A $50,000 open shelf filing system was installed in November 2012 to facilitate completion of the inventory, simplify case handling, and provide better document security.
   - Development of Lean Six Sigma for Service program for AT has been established to stimulate process engineering for reduced effort and higher-quality results for constituents: value stream analysis, which is designed to find non-value added activities in the existing processes, is in progress and department-wide leadership training for senior staff has begun.
   - The department is evaluating vendor options to acquire and configure a new digital VOIP system to enhance scheduling, quality and accuracy of the evidentiary record.
   - In cooperation with the Department of the Treasury, the department is exploring ways that digital imaging can enhance records creation, handling, retention and storage.

Discussion Points (Cont'd)

5. Enhanced Communication to Claimants.
   - We have established a procedure to transfer calls regarding benefit payments to the benefit unit.

6. Modernizing the IT System
   - OIT is managing the acquisition, configuration, installation and maintenance of a new case management system for the AT and BOR to replace ACES - an old system with limited utility: The new system should be operational by the end of the third calendar quarter of 2013.

7. Achieving the Acceptable Level of Performance (ALP)
   - We are investigating establishing a mentoring program between the appeals unit and the adjudication unit.

8. Addressed backlog of pending cases.
   - At the week ending April 5, 2013, the BOR has reduced its recession-peak caseload in May 2011 of 3,142 by *84.1%*, **(**2,642 cases).
   - Since November 1, 2011, when the AT was functionally integrated with the BOR, the AT has reduced its recession peak caseload of 16,075 by 32.5**%** (5,224 cases**)**.

9. Updated the business model of the appeals process.
   - There are 5 district offices that were established when appeals were heard in person. In some cases, regional AT and BOR personnel are housed in one-stop facilities. Today, 98% of all appeals are heard by phone. The several technical and process initiatives underway will further automate the appeals process in favor of centralized administration, making district facilities essentially superfluous.

10. Increased the level of performance, efficiency and accountability of the appeals examiners.
    - The AT has a weekly production goal of 32 per AE per week or 1225 dispositions per regular work week, which accounts for 900 new and 325 existing cases per week, writing time and a historic capacity rate of 52% (to allow for turnover, planned and unplanned absences).
    - Case management is bifurcated: certain AE have been assigned to new cases – which insures timeliness – and others to the backlog, which assures a closed end case-flow system that can only get smaller over time, thereby reducing delays.
    - At the current rate of production – all other things equal – the AT is forecast to have a pending caseload of 6000-7000 by the end of September and to be in compliance with Federal time-lapse standards.

11. Reviewed best practices of other states.

Discussion Points (Cont'd)

- A case management system used in Arizona ('CUBS') was evaluated and deemed too customized to local law and regulations to be readily adaptable.

8a. A State Auditor's report issued in October, 2012 concerning the Unemployment Insurance Services program concluded that the department's payment of unemployment insurance benefits is accurate and reasonable based on the information available when a claim is initiated. However, procedures maintained for the verification of continued eligibility require improvement. The report made several recommendations to improve the oversight of the provision of benefits.

The first finding of the audit concerned "Unreported Earnings," or claimants working and not reporting earnings in accordance with statute. The audit estimated that approximately six percent of the claimants in 2010/2011 had underreported or unreported earnings and claimants were overpaid benefits (approximately $288 million in FY 2010 and 2011). Currently, N.J.S.A.43:21-14 requires employers to file a report (WR-30 report) within thirty days of the end of the calendar quarter listing the name, social security number and wages paid to each employee and the number of base weeks worked by the employee during the calendar quarter. It is this information that is used as one of the three cross checks on whether an individual is employed during the time the individual is also collecting unemployment benefits. The quarterly reporting, with a 30 day lag, permits individuals to collect up to 16 weeks of unemployment benefits before the conflict can even be uncovered by the department. (Assembly Bill No. 3810 would amend the statute to require a monthly reporting of this information. The change would result in a quicker time line for the department to uncover any payments to individuals who are reported as earning wages in the WR-30 report.)

Question: a. What savings in overpayments does the department anticipate if the reporting time for wages is shortened to monthly from quarterly?

Response:

The department has not conducted an analysis of the potential savings in overpayments should Assembly Bill No. 3810 (A3810) be enacted.

b. Has the department received any feedback from the employer community on this proposal?

Response:

We did not receive any direct feedback from the employer community regarding A3810.

Discussion Points (Cont'd)

c. How many employers are currently not submitting their WR-30 reports electronically? What percentage of all employers does this represent?

Response:

There are 222,510 active employers registered under the New Jersey Unemployment Compensation Law. All registered employers are required as of January 2009 to submit their tax and wage reports electronically. Less than 10 active employers are submitting paper wage reports.

8b. The second finding of the audit indicated that the department's current process of using the National Directory of New Hires to confirm that individuals are not working may need to be revised to adequately capture all possible conflicts. Prior to the audit, the department looked back 19 days from the date of the individual filing for benefits and 28 days in the future to see if a beneficiary had been hired by a new employer. Additionally, staff could only enter an initial remark in the record and could not enter any subsequent remarks, thus limiting the times a person could be cross checked. The audit recommended that the department should increase the length of time the department checks for an individual to be re-employed and review the computer programming to ensure that remarks could be entered multiple times into the record of a single individual.

The department has already implemented three new programs in 2012 to take the first steps in preventing claimants from fraudulently collecting UI benefits. The department purchased new software that identifies foreign internet addresses as the source of the claim and flags these claims. Additionally, the department implemented an "Identity Proofing" program in which a computer system electronically pulls public records related to the name and identifying information provided by that person. The person is then asked three random questions based on the information pulled. Claimants who pass the identity verification test will have their claim processed for benefit payments. Those who do not pass, choose not to participate in the questioning, or quit during the question session, will not be cleared for benefits. Instead, the person is flagged and they must go to an office and confirm their identity. The system does not retain, store or share any of the information. Furthermore, the department in its response to the audit, stated that it planned to be "pro-active" by contacting the employers of individuals who were reported as new hires to determine if the reported return-to-work occurred or not.

Question: a. Has the department initiated a longer time of looking back and into the future for employment of a beneficiary reported to the National Directory of New Hires? If this change has not been implemented, why not? If it is in the process of being changed, what is the timeline for implementation?

Response:

Yes, system adjustments and edits have been completed and implemented into the National Directory of New Hire (NDNH) application. Any new hire "hit" that conflicts with past, current or future benefit payment is now "flagged" for dispute resolution.

As the departments moves forward we will evaluate the process to determine if additional edits are necessary to make the application more efficient. Please note,

Discussion Points (Cont'd)

the New Jersey Department of Labor and Workforce Development is leading the nation with this program, and was recognized twice for its innovation in this regard by the US Department of Labor in 2011.

b. Has the department conducted any independent analysis on the savings that could be attributed to such a change? What savings are estimated?

Response:

Current data has determined nearly a 20% increase in flagged claims between year one and year two of the NDNH application. The projected savings for year two are approximately $114.7 million as compared to year one savings of $99.9 million.

An independent analysis on the savings related to the modifications is not possible at this time as, in addition to the modifications, the department conducted a marketing campaign to inform employers of the need to comply with the new hire process. The marketing campaign resulted in a sizable increase in the number of employers responding to the new hire program.

c. How does someone who is located overseas, but is eligible for UI benefits, such as a military spouse, claim benefits in New Jersey if the system is denying foreign Internet addresses?

Response:

The overseas military spouse can contact the department's Call Center and file a claim over the telephone through the department's IVR system.

However, an individual who is located overseas, even if it is the result of being a military spouse, would be required to have a fact-finding interview to determine if the Available For Work and Actively Seeking Work provisions of Employment Security law are met.

N.J.S.A. 43:21-21 (f) stipulates that to the extent permissible under the laws, treaties and Constitution of the United States, the Commissioner is authorized to enter into or cooperate in arrangements whereby facilities and services provided under this chapter (*R.S. 43:21-1* et seq.), and facilities and services provided under the Employment Security Law of any foreign government may be utilized for the taking of claims and payment of benefits under the Employment Security Law of this State or under a similar law of such foreign government.

Since there is no existing agreement between the Commissioner and any foreign government, with the exception of Canada, an individual located overseas, even if it is the result of being a military spouse, would still need to comply with the eligibility requirements for collecting benefits. The claimant has appeal rights to any determination made by UI.

Discussion Points (Cont'd)

d. How many individuals have been denied claims through the "Identity Proofing" program, by year, since implementation of the program? How many have subsequently verified their identity at a One Stop Career Center or at the department?

Response:

The Identity Validation program was implemented in October 2012. Since implementation 28,534 claimants have not passed the identity verification application. Of this number 9,508 failed to correctly answer the questions, 10,104 abandoned the application before fully responding to the questions, 5,484 timed out, and 3,438 were for other miscellaneous reasons.

Approximately 80% of those who failed the application were able to verify their identity.

e. How many chances does the "Identity Proofing" program permit someone to enter the wrong answer? Is there an option to pause during the proofing process, or does that eliminate the individual from the process? Is there an expedited identity verification process for these people when they arrive in person at the One Stop Career Center or at the department? Does the "Identity Proofing" program clearly state what the next steps of the individual should be?

Response:

A claimant attempting to certify will be provided with three questions determined from public information about the claimant. If the claimant answers one of the questions incorrectly, the claimant will be given two additional questions to answer correctly. Should one of the second set of questions be answered incorrectly, the claimant will be required to appear at a One-Stop Career Center and provide proof of the claimant's identity.

The claimant has 3 ½ minutes to answer the three questions. If the claimant is required to answer the next two questions, the claimant is given an additional 3 ½ minutes.

Claimants entering the One-Stop Career Center are triaged to determine their purpose. Those indicating they are required to present proof of their identity will be assigned to a specific line to speak with a UI agent who will confirm the claimant's identity based on documents provided by the claimant.

Any claimant who fails the Identity Verification questions, either by answering the questions incorrectly, abandoning the identity verification process or timing out, will be sent an information packet as to the next steps that the claimant needs to take in order to validate the claimant's identity.

No claim is authorized for payment until the identity verification has been satisfied.

Discussion Points (Cont'd)

f. For those individuals that are reported as new hires, what has been the department's experience in contacting the employers? How many claims have been subsequently denied, by year, since implementation of the program? Are the claims put on hold when they are flagged as new hires while the employer is being contacted?

Response:

When information is received through the NDNH process a cross-match is completed and any claimant who has filed a UI claim is flagged with the new hire employer information and date of hire. Should a claimant attempt to certify for benefits for a period after the new hire date, the claimant must speak to an agent who will challenge the claimant regarding the new hire. Any claimant who disputes the new hire will continue be paid benefits until such time as additional secondary verification is received from the new employer. The claim is referred to the department's Benefit Payment Control for a further contact with the new employer.

A phone contact is initiated and/or written correspondence is sent to the new employer for further verification of employment. This process is inherently time consuming and in best case scenario responses are returned and processed within two weeks' time. New Hire reporting requires that only a physical work location be submitted and unfortunately staff will spend a considerable amount of time attempting to locate the new employer's contact information.

New Jersey has been in discussion with the USDOL in an effort to mandate email address, phone, fax and direct contact information to be supplied at the time of the New Hire Reporting submission. The department is also working with OIT for system programming changes that would allow for swifter response time with the introduction of an online employer response portal.

8c. The third finding of the audit was "Ineligible Payees," or claimants such as incarcerated individuals and deceased persons collecting unemployment benefits. Incarcerated individuals may be uncovered by the department through a sharing of information between the DLWD and the Department of Corrections. According to the audit, a Memorandum of Understanding is currently being developed to share this information between the departments. The audit suggested that the department could employ the use of the New Jersey Electronic Death Registration System (N.J.S.A.26:8-24.1), coordinated by the Office of Vital Statistics in the Department of Health, to cross check claimants' Social Security numbers and uncover any who are deceased. The audit determined that there were numerous individuals who received payments after they were deceased or when they were incarcerated. Assembly Bill No. 3812 requires that the Department of Corrections provide identifying information on every inmate to the DLWD and for the department to crosscheck current beneficiaries' data with this information to reduce this type of fraud. The legislation also requires the DLWD to receive notification by the New Jersey Electronic Death Registration System and to cross check that data with current UI beneficiaries.

Discussion Points (Cont'd)

Question: a. Has the department adopted a Memorandum of Understanding with the Department of Corrections to share inmates' identifying information? If not, what is the current status of any such agreement?

Response:

Yes, the department has had ongoing Memorandums of Understanding with the Department of Corrections for state prisoners and the department is engaged in cross-matches for State facilities.

A Memorandum of Understanding between the Department, OIT and the Administrative Office of the Courts (AOC) County Department of Corrections was executed on March 12, 2013. The department is currently engaged in a cross-match with AOC for inmates housed in county facilities.

b. Has the department adopted a Memorandum of Understanding with the Office of Vital Statistics in the Department of Health to share the information collected through the New Jersey Electronic Death Registration System? If not, what is the current status of any such agreement?

Response:

The department currently verifies valid Social Security Numbers using a third party vendor, VERIS, which is in place at OIT. This vendor has a complete and timely database of all death records. The department will continue to assess the need for an MOU with the Department of Health.

c. Has the department conducted an analysis of any savings anticipated due to sharing such information and ensuring that ineligible individuals can not collect benefits from the UI trust fund?

Response:

No, the first cross-match of data between the department and the data supplied by the AOC was implemented on March 27, 2013, the information available was not deemed sufficient at this time to analyze and quantify any anticipated savings.

d. Has the shift to all electronic payments had any effect on the number of ineligible payments?

Response:

Yes, the shift to electronic payments has enabled the Department to initiate potential fraud investigations in a shorter timeframe through routine cross-matches to determine if numerous payments with different social security numbers are being deposited at the same banking institution using the same bank account number and routing number.

Discussion Points (Cont'd)

8d. Lastly, the audit determined that sufficient information is not maintained in support of claim activity. All unemployment insurance claims have been electronically maintained since 2001. The "remarks" section of the electronic record is the only means to ensure workflow continuity for unemployment personnel. However, the "remarks" section is not uniformly updated by department personnel and it is often unwieldy and difficult to maintain. The audit recommended "the coaching of personnel that detailed concise remarks are required to address the issues and that specific verification or documentation may be required before a payment can be processed. Supervisors need to sample daily work to ensure the qualify of work and compliance with the law." The department in its response to the audit indicated that staff would be trained to enter in "good remarks" into the UI computer system. Additionally, a programming change was implemented in October, 2012 to permit the employee entering a remark to enter their initials.

Question: Has the department taken any steps to streamline the process for the claims' managers and to better maintain the electronic record? What were the costs to adjust the system to allow these changes? Is the department planning an evaluation of the system?

Response:

Yes, staff in UI have been instructed and trained to enter complete remarks on a claim to clarify issues or what actions have been performed on the claim. The new programming change allowing a "name" stamp, allows ownership of the remarks entered. A staff directive was also issued outlining the procedures to be followed.

IT costs were less than $1,000. In addition, the department received supplemental funding from the USDOL for approximately $500,000 for a comprehensive training program for initial claim takers, adjudicators and appeal staff, a portion of these funds are being used to pay for this training.

Supervisors are instructed to monitor staff entries on remarks for completeness and accuracy. This will be a performance item on employee reviews.

9a. The State Auditor's report from October, 2012 contained recommendations for changes to prevent future overpayment of UI benefits, but it did not address the efforts of the department to collect the debt owed to the UI trust fund through both overpayments to individuals and the underpayment of taxes owed by employers. Several initiatives have been implemented in the past few years to address the collection of this debt.

The Division of Revenue in the Department of the Treasury was statutorily authorized to be New Jersey's centralized non-tax debt collection agency and was given certain powers to collect debt from individuals pursuant to P.L. 2008, c.24, including the ability to garnish wages with a notice of a wage execution issued by an Administrative Office of Law. According to the Department of the Treasury's response to OLS Discussion Points in FY 2013, the division's goal is for 90 percent of the debt owed each of the State departments to be transferred to the division for collection efforts. The DLWD has only transferred 67 percent of its debt to the division. This low rate is due in large part to the department retaining the debt collection activities for the monies owed the UI trust fund until questions regarding the funding source for the collection of this debt can be resolved.

Discussion Points (Cont'd)

According to the Department of the Treasury's response to OLS Discussion Points in FY 2012 and FY 2013, the Division of Revenue conducted a two month pilot program from September 17, 2010 through November 1, 2010 to attempt to collect a portion ($522 million) of the over $1 billion in outstanding debt owed to the UI and the TDI systems. A collaborative 2 month effort by the DLWD, the Division of Revenue and the Office of Information Technology achieved very positive outcomes from the collection effort, as follows: $9 million collected from employers; $1.4 million collected from individual claimants; and the production of an automated collection system for future implementation of a full scale UI debt collection program.

Although highly successful, the UI debt collection activities were never fully transferred to the Division of Revenue because of unresolved funding issues. According to the Department of the Treasury, the USDOL does not permit monies owed to the UI trust fund to be used for UI debt collection operations. Therefore, the project is temporarily on hold. Simultaneous to the effort in the State to improve collection of unpaid debt, the federal government has also been implementing programs and making changes to processes to reduce improper payments in the UI system (for more details on the multiple efforts, please see Unemployment Insurance Program Letter No. 09-13 at http://wdr.doleta.gov/directives/corr_doc.cfm?docn=8922)

Included in the many proposals and changes implemented by the federal government was the Treasury Offset Program (TOP), permitting states to recover UI debt by withholding the individual's federal tax returns. The State has recently joined 19 other states that have implemented TOP to recover UI debt (http://lwd.dol.state.nj.us/labor/ui/content/overpayment.html). However, the status of transferring the debt to the Division of Revenue is still unclear at this time.

Question: a. What is the current level of debt attributed to funds owed to the UI trust fund? Please detail who owes the debt: employers who have underpaid UI taxes or employees who were overpaid benefits? If possible, please indicate how long this debt has been outstanding and which funds will no longer be eligible for collection, pursuant to the four year statute of limitations established by R.S. 43:21-16.

Response:

The current level of debt by both active and inactive employers whose contribution reports are either unpaid or under paid or who have reimbursable charges is listed below. Employers whose liability is covered by a judgment and who are in bankruptcy are included in this total. The total number of employers owing UI obligations is 255,185 comprising 105,597 active employers and 149,588 inactive employers. There are approximately 115,695 individuals with benefit overpayments receiving monthly notices.

Discussion Points (Cont'd)

UNEMPLOYMENT COMPENSATION FUND
OUTSTANDING RECEIVABLES
DECEMBER 31, 2012
(in millions)

	CONTRIBUTIONS	REIMBURSABLE EMPLOYERS	BENEFITS OVERPAID
0-6 Months	$ 13.0	$ 12.4	$ 25.9
6-9 Months	7.3	1.0	11.5
9-12 Months	8.8	1.0	12.3
12-15 Months	8.2	0.8	10.6
15-18 Months	7.5	0.7	9.0
18-21 Months	7.4	0.7	10.4
21+ Months	224.1	20.5	211.3
Total	$ 276.3	$ 37.1	$ 291.0

b. Please detail the steps the department currently takes to collect debt from individuals who were overpaid benefits and employers who underpaid UI taxes. If possible, please detail the amounts collected though the various means of collection.

Response:

Individuals with benefit overpayments receive an initial determination of the reason for the overpayment. Each subsequent month claimants are sent a Summary of Account notice which includes a repayment coupon and self-addressed envelope. Summary of account notices are mailed the 1st business day of the month to any claimant with an outstanding balance. Each form sent to the claimant explains the debt amount and available repayment options. Significant details regarding failure to make restitution are also listed. Any overpayment with no repayment activity for 6 months becomes eligible for a Certificate of Debt to be filed with Superior Court. Offsets with State Income Tax Returns, Home Stead Rebates and Lottery winnings also occur. Wage garnishments are pursued when warranted and any future Unemployment Insurance benefits are offset against outstanding overpayments.

Employers who owe a liability less than $1,000 will be sent an initial billing which is pended for 45 days, followed by a summary bill which is pended for 30 days. Thereafter the employer received quarterly reminder bills followed up by a telephone contact.

Employers with a liability of $1,000 or greater receive an initial billing followed up by a telephone contact. If the employer is delinquent in filing the tax returns an estimated return is prepared. A summary bill is issued followed in 30 days by a pre-judgment letter. If no response is forthcoming in 30 days a judgment is filed in Superior Court followed by a request for writs of execution for the Sheriff to perform a bank and/or asset levy.

The amounts of payments collected by each of the collection steps is not tracked.

Discussion Points (Cont'd)

c. What is the department's analysis of the effect of the implementation of TOP on collection efforts? Please provide specifics as to revenue expected to be collected through TOP from employees and employers.

Response:

Currently, there are 30 states that are participating in the TOP program to offset overpayments through IRS refunds to individuals. Although the department is a member of the TOP program, no file has been sent to the IRS for the TOP offset. The department anticipates that the individual fraudulent overpayment file will be generated and sent to the IRS by the end of April, 2013.

Based on the experiences of other states in the TOP program the department anticipates that approximately $14 million in overpayments will be realized in the first year.

d. What is the status of the USDOL's prohibition on using funds intended for the UI trust fund for debt collections activities? What steps has the department taken to persuade the USDOL to permit this activity? What is the department's opinion on the likelihood of this use in the future?

Response:

The department has had numerous conversations with USDOL regarding the use of funds intended for the UI Trust funds for debt collection activities. In spite of the department's persistence the USDOL's response has been the federal statutes prohibit the redirection of funds for anything other than to pay benefits. It would likely require a federal law change in order to allow funds intended for the UI trust fund to be used for administrative purposes. It does not appear that there will be any movement to reform some of the federal statutes to permit a redirection of funds for collection activity.

e. What are the estimated costs to implement the pilot program permanently?

Response:

A pilot program was not implemented and, as such an estimate of the costs is unknown.

9b. Federal law requires states to conduct "Benefit Accuracy Measurements" (BAM) to determine the accuracy of paid and denied claims in UI programs. The BAM program is overseen by the federal Department of Labor, but administered day to day by states. Every week, each state reviews samples of payments made and claims denied under its UI claims process, to evaluate the accuracy of these determinations using data verified by trained investigators. For claims that were overpaid, underpaid, or improperly denied, BAM determines the cause of, and the party responsible for, the error, the point in the UI claims process at which the error was detected, and actions taken by the agency, claimants and

Discussion Points (Cont'd)

employers before the error. For improperly paid claims (overpayments and underpayments), BAM determines the amount of benefits the claimant should have received.

Question: a. What were the primary reasons attributed to the underpayment of beneficiaries? What were the primary reasons attributed to overpayment of beneficiaries?

Response:

The BAM findings indicate that underpaid Unemployment Insurance benefits result when:

- An employer incorrectly overstates the amount of Base Weeks worked or Base Wages of a beneficiary/claimant. When this occurs, the Weekly Benefit Amount of benefits is lower than it should be resulting in a weekly underpayment amount.
- Beneficiaries/claimants incorrectly over reporting wages earned during a week they receive UI benefits.

The BAM findings indicate that overpaid Unemployment Insurance benefits result when:

- Beneficiary/claimant fails or inaccurately reports their weekly Work Search contacts.
- An employer incorrectly under reports the amount of Base Weeks or Base Wages of a beneficiary/claimant.
- An incorrectly adjudicated separation issues resulting from an employer or a beneficiary/claimant not providing timely information.
- Beneficiary/claimant or employer does not provide information on a company pension in which the employer contributes.

b. What steps are taken by the State when an underpayment is identified in a review of the case to rectify the situation? What were the primary reasons attributed to underpayment of beneficiaries?

Response:

The BAM findings indicate that overpaid Unemployment Insurance benefits result when:

- Beneficiary/claimant fails or inaccurately reports their weekly work search contacts.
- An employer incorrectly under reports the amount of base weeks or base wages of a beneficiary/claimant.

Discussion Points (Cont'd)

- An incorrectly adjudicated separation issue(s) resulting from an employer or a beneficiary/claimant not providing timely information.
- Beneficiary/claimant or employer does not provide information on a company pension in which the employer contributes.

If during a BAM investigation, the investigator determines that an underpayment exists due to a reason found in Question 9ba, the investigator inserts the correct information on the claim record, enters a claim remark of the reasons for the underpayment and issues the underpayment adjustment to the beneficiary/claimant.

The primary reasons attributed to the underpayment of beneficiaries are same reasons outlined in the response to Question 9ba.

10. In response to the OLS Discussion Points during the FY 2013 budget process, the department stated that it had $21 million authorized to re-start the modernization of the New Jersey State Unemployment Compensation Claimant and Employer Service System (NJSUCCESS). NJSUCCESS is a project to redesign all unemployment insurance business processes and technical systems originally initiated in November, 2008 and put on hold as of April 30, 2009, because of the increased demands on the UI system and the need to "devote technical and business resources to the many other technology challenges related to implementing the extended benefits program."

According to the department, as of FY 2012, the project had received $53 million in federal funding through a portion of the funds allocated to the State by the federal "Job Creation and Worker Assistance Act of 2002," more commonly referred to as "Reed Act" funds, and an additional $3 million in supplemental grants from the United States Department of Labor. This funding was used to begin the modernization project, including: a call center technology upgrade; improved telephone queue routing; enhanced online Internet claim filing; and electronic data exchange with employers.

The department stated further that it had engaged a senior consultant "to perform a gap analysis of the Functional Design produced by the prior vendor to determine the order steps that need to be taken to achieve modernization and the level of IT resources needed to implement and maintain the modernization initiative. The modernization initiative will be done in a series of phases and an estimated level of effort and costs associated with each phase is a deliverable expected from the consultant."

Section 1 of P.L.2011, c. 32 amended R.S.43:21-6 to provide that certain individuals must be able to certify their UI claim via the Internet at any time, 24 hours a day and seven days a week. Commissioner Wirth, in his testimony to the Assembly Budget Committee on April 7, 2011, indicated that the department had modified NJSUCCESS to extend the ability of individuals to certify their unemployment claims to Sundays and, at that time, on-line certification of benefits was available 74 hours per week. Additionally, the department was in the process of creating "off-hours" on-line access to applications which would have permitted claimants to access the certification process during non-business hours. The claim would then be certified during the next scheduled posting date. Furthermore, the department reported in its response to the OLS Discussion Points during the FY 2013 budget process

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that the Office of Information Technology had "recently completed the additional modifications to the application that will automatically upload the spooled files into the System without any staff intervention. The modifications are ready for System Testing. The estimated cost is $600,000."

Question: **a. Please provide an update on the NJSUCCESS program and any enhancements that have been made to complete the UI modernization process. Please provide a budget for any enhancements made or planned. Please specify the source of the funding.**

Response:

Beginning in 2010 the Department undertook certain critical steps to modernize the UI benefit payment system.

Certain of these enhancements were completed by OIT through the Service Request mechanism, addressing self-service initiatives and finalizing the electronic receipt of separation information for employers and/or agents. The costs for these enhancements came from either Supplemental Budget Requests from USDOL or from UI's operating budget for OIT services.

In 2011 the department hired a Senior Analyst to review the UI system and prepare a "Gap Analyst" and "Strategic Plan" for moving forward. Based on a Statement of Work a "Request For Information" (RFI) was prepared in October 2012 with 12 vendors responding.

The department prepared a Business Case Review (BCR) and presented a proposal together with the Gap Analysis, Strategic Plan, NJ SUCCESS Assessment Results, Service Request listing, Information Technology Support Center (ITSE), a support agency for the National Association of State Workforce Agencies (NASWA) white paper on "A National View of UI IT Systems", ITSE PowerPoint presentation on UI Modernization Overview and UI listing of business processes to continue with the UI Modernization project to the OIT review committee.

The review committee approved the proposal and in March 2013 assigned two OIT representatives to work with LWD's Project Management Office (PMO).

The funding source for the project is anticipated to come from the Reed Act balance and potentially an automation supplemental budget request from the USDOL.

Discussion Points (Cont'd)

b. Please explain why the original consultant hired to implement the NJSUCCESS program was not retained to continue the program when it was re-started. Who was the original consultant? How much were they paid for the work they completed? What was the total cost of the original contract? How much of the original scope of work was completed before it was put on hold?

Response:

From August 2005 to April 2009 the Department expended $56 million ($53 million Reed Act and $3 million from supplemental grant funds) for the NJSUCCESS program.

Work performed during that time included:

Functional Design for NJSUCCESS
Implementation of a Virtual Call Center and queuing protocol for callers
Web Claim Filing Application with Agentless Claims Processing
Web Application Enhancements
Employer Bi-Directional Electronic Communications

The cost summary is as follows:

Vendor Costs	$ 32,377,105
Hardware	4,887,173
Software	18,887,714
Total Costs	$ 56,151,992

c. Has the system been updated to permit individuals to certify their claims 24 hours a day, seven days a week as provided for in P.L.2011, c. 32 (R.S.43:21-6)? If not, how many hours per week can individuals certify their claims on line? If so, what percentage of claimants are utilizing the system during the newly expanded hours?

Response:

Claimants can certify for benefits 71 hours per week, 7 days a week: M-F 7AM – 6PM, Saturday 8AM - 3PM and Sunday 8AM - 5PM. The system must be taken down each day for maintenance and for data updates. 60% of internet certifications are filed on Sundays, 19% of internet certifications are filed on Mondays, 9% web certs are filed on Tuesday, 7% on Wednesday, 3% on Thursday, 1% on Friday and less than 1% on Saturday.

11. As of April 18, 2011, all benefits for temporary disability, family leave insurance or unemployment insurance claims were paid by the DLWD through a prepaid Bank of America debit card issued to claimants or, for the UI program only, through direct deposits to their bank accounts. The department is no longer issuing paper checks to pay these benefits. The department contends that debit cards and direct deposit are the quicker, safer and more convenient ways to pay benefits.

The use of cards and direct deposit is intended to save the department the administrative costs associated with paper checks and to save claimants, who do not have a

Discussion Points (Cont'd)

bank account, the cost of a check cashing fee. Pursuant to N.J.A.C.3:24-4.1, a licensed check casher is permitted to charge a fee for cashing a check of up to 2.21 percent of the face amount of the check, or $1.00, whichever is greater. Thus, a check casher charging a fee of 2.21 percent to cash a $400 check would charge a claimant $8.84. Additionally, individuals have immediate access to their benefits through the use of the debit card at stores.

The department's current contract with Bank of America is set to end on July 31, 2013, and according to the department's response to the OLS Discussion Points during the FY 2013 budget process, the department was preparing a Request For Proposal in the second half of 2012.

Under the current contract with the Bank of America, claimants may incur some fees when using the debit cards; however, the department has taken steps to restrict the fees that may be imposed on these debit cards. The department has issued a fact sheet that details those transactions that may not incur fees and those that may incur fees. According to the department, there may not be any Bank of America fees associated with: purchases from merchants that accept Visa debit cards; automated Teller Machine (ATM) withdrawals at domestic Bank of America ATMs; the first two ATM withdrawals each month at non-Bank of America ATMs; teller cash access at any bank or credit union that accepts Visa; account balance inquiries at any ATM; online customer service at Bank of America's website; automated and live customer service inquiries; and for the first replacement card, should a card be misplaced by the claimant. Claimants may incur fees in the following transactions: third or subsequent non–Bank of America ATM withdrawal; international ATM withdrawal; domestic emergency cash transfer; second or subsequent card replacement; and international transactions.

Question: a. Please provide the number of claimants who are issued debit cards, detailed as through the UI, TDI or FLI programs, and the number of claimants who use direct deposit in the UI program.

Response:

As of February 2013 there were 340,424 who received at least one payment for Unemployment Insurance. Of these individuals 148,965 used debit cards (44%) and 191,459 (56%) used direct deposits. This includes regular UI, Extended Unemployment Compensation (EUC), Disaster Unemployment Assistance (DUA), and Additional Benefits during Training (ABT).

During the same time period 44,117 debit card payments were made to Temporary Disability Insurance and 8,997 payments were made for Family Leave Insurance.

b. Has the department given any consideration to providing direct deposit for individuals collecting TDI or FLI benefits? Are there any plans to provide direct deposit in the future for these beneficiaries? If not, what are the obstacles to providing direct deposit to these beneficiaries?

Discussion Points (Cont'd)

Response:

To expedite the elimination of checks, the department chose not to provide the direct deposit option at the time a claimant files for temporary disability insurance or family leave insurance. However, the department insisted that its banking provider make available the option to permit claimants to transfer their debit card payment directly to their savings or checking account. No information is available at this time as to the number of claimants who have availed themselves of this option.

Due to its age and limitations, the department is considering a complete modernization of the temporary disability system. The ability to permit claimants at the time claims are initially filed to select to the option to receive payments through direct deposits will be addressed in the redesign.

c. Please provide an update on the Request For Proposal for the administration of the debit card program beyond July 31, 2013. What is the timeline of the new contract? Will there be an increase in fees to claimants? What is the cost to the State to contract with a third party to administer the debit card program?

Response:

A Request For Proposal (RFP) for LWD banking services which included a debit card program was prepared and published by the Office of Management and Budget (OMB) on January 23, 2013. There were seven vendors who appeared at the mandatory bidders conference held on February 21, 2013.

Bank of America/Merrill Lynch (BOA) was the only vendor who submitted on March 14, 2013 a response to the RFP. The proposal was reviewed by the selection committee and a recommendation was made on March 28, 2013.

The proposal met or exceeded all of the RFP requirements without increase in fees to claimants. The proposal includes an enhanced delivery service to the claimants with fee-free ATM access at BOA locations and should be expanded to four free non-BOA ATM withdrawals per month.

The new contract takes effect as of October 1, 2013.

The costs to contract for a debit card program is per transaction based and there is no increase in the transaction cost to administer the program in the proposal.

d. Please provide a cost analysis of the transition to all electronic payment of UI, TDI and FLI benefits. Was the savings that had been anticipated realized?

Response:

There were no additional charges incurred by the department from Bank of America's in the transition from paper checks to all electronic payments. OIT costs to modify the payment file were less than $10,000. All claimants who had been receiving benefits through paper checks were sent a notice advising them of the

Discussion Points (Cont'd)

changeover to all electronic payment including the option of converting to direct deposit as opposed to debit cards. Approximately, $75,000 was expended for the mailing of the changeover notice to claimants.

The department had initially estimated that approximately $8 million would be saved annually through the transition to an all electronic payment system. The cost savings were through: (1) Weekly Check Generation and Mailings, (2) UI Staff Check Processing.

e. Once an individual has filed for benefits, what is the average lapse of time before they receive their debit card and it is credited with their benefits?

Response:

For Unemployment Insurance, claimants who do not opt for the direct deposit option a debit card will be issued to them by BOA within three days after a claim is filed. Benefits will be credited within two days after certification.

For Temporary Disability Insurance or Family Leave Insurance, claimants will be issued a debit card within three days after the agent has determined that the claimant is eligible for benefits. When the claimant receives the debit card it will have already been credited with the benefit payment.

12. In April, 2011, the department launched a new website, Jobs4Jersey.com. The Jobs4Jersey's OnRamp is dedicated to linking job-seekers and employers throughout the State. For job-seekers, the site includes an interactive job bank, information about available training, links to assessment and training sites and resume building information. For employers, it offers a job bank of applicants, expert advice, and information on available training programs and incentive programs.

The site was available for both job searchers and employers in April, 2011 and as of April, 2012 had a total of 63,852 individual registrations and over 299,000 jobs (in and out of New Jersey) listed on the site. In its response to the OLS Discussion Points during the FY 2013 budget, the department stated that it had not yet started an employer outreach program, but had received positive feedback on the usefulness of the OnRamp from employers and employees alike. The website was funded with federal recovery funds and was funded through the first quarter of CY 2013.

Question: a. Please provide the number of individuals who have created an account on Jobs4Jersey.com intending to search for employment. If available, please provide the number of users who have made job searches without creating an account.

Response: See schedule IX.

b. Please provide information on the number of jobs listed on the site and details about the jobs, such as pay level and experience and education needed.

Discussion Points (Cont'd)

Response:

See Schedule IX.

c. Please provide information on feedback the department has received regarding the site from either employers or job seekers and describe any changes planned to the site.

Response:

The survey process is being carried out and data will be available when it is completed.

d. Please provide information on the outreach to employers thus far.

Response:

Outreach to employers on Jobs4Jersey has taken a number of forms. In the implementation of the employer module we had employer involvement in development and testing from various employer associations who created employer focus groups to assist us in understanding what employers need and would like to see. Our Business Services Representatives worked with individual employers through employer visits throughout the state to help them register, post jobs and search for candidates. We utilized the Talent Networks, industry associations such as the New Jersey Business and Industry Association (NJBIA) and Chambers of Commerce as forums for providing information to employers on how to use the website and provide us with feedback. At job fairs and hiring events we have a booth and a presence to answer questions, help employers register and search for candidates. We have created online and hardcopy communication pieces to help employers understand the system and utilize it. We have also created a Jobs4jersey employer hotline which allows employers to phone or email us with questions, issues and comments.

All employers with user accounts in the State's legacy Job Bank system hosted by Direct Employers were sent an email advising of the State's plan to transition its online employer services to Jobs4Jersey.com "OnRamp." Employer accounts were moved to the new OnRamp utility allowing employers to access the new system using their existing credentials (username/password) without re-registering.

e. Please detail the funding sources used to develop and maintain the site. Please address plans to secure new funding in the future.

Response:

To date, development of the Jobs4Jersey.com "OnRamp" tools for job seekers and employers have been underwritten with funds from the State's annual federal labor exchange grant (Wagner-Peyser), and a one-time federal "Green Grant" initiative. The Department will also seek out federal funding through any competitive grants that may be announced or through supplemental budget requests that may be provided by the federal government.

Discussion Points (Cont'd)

13. The Second Injury Fund (SIF), also known as the Special Compensation Fund, was established pursuant to R.S.34:15-94 and provides workers' compensation benefits to totally and permanently disabled workers with prior, work-related disabilities. Additionally, P.L.1980, c.83 provides that the SIF pay for a cost of living adjustment (COLA) for workers (and their dependents) suffering permanent disability or death before 1980. Finally, P.L.1990, c.46 provides that all administrative costs of the Division of Workers' Compensation be paid out of the SIF.

Revenue is provided for the SIF through an assessment on workers' compensation insurance for both self-insured and privately insured employers. State and municipal self-insured employers are exempt from the SIF assessment, but State and municipal employees are eligible for benefits if disabled.

The level of assessment is determined each year by the Commissioner of Labor and Workforce Development. The commissioner makes this determination by estimating the amounts necessary to pay SIF benefits and administrative costs in the following calendar year, reduced by the net SIF assets at the end of the current year, exceeding $5 million, and then multiplying that total by 125% to determine the amount needed in the SIF for the next year. However, due to statutory requirements, the total amount needed must then be reduced by $40 million. The $40 million reduction equals the amounts that were transferred from the SIF to the General Fund by language contained in P.L.2002, c. 12 and P.L.2002, c.38. (P.L.2002, c.5 and P.L.2003, c.111 both amended R.S.34:15-94 to provide that two separate transfers of $20 million from the SIF to the GF (totaling $40 million) are added back in the Second Injury Fund for computational purposes when determining the assessment amount.) The assessment is then charged to employers as a surcharge on their workers' compensation insurance payments. In CY 2012, the department assessed companies approximately $200 million, (Schedule VII, department response to the OLS Discussion Points during the FY 2013 budget process.)

According to information provided to the OLS by the department, the SIF deficit is anticipated to increase to $81.4 million in CY 2013. The department received a $17.5 million supplemental appropriation from the General Fund in June, 2011 (P.L. 2011, C. 82) to pay salaries and wages.

> **Question: a. Please provide, on a calendar year basis for every year from 2003 forward, including an estimate for 2014: the total amount expended from the Second Injury Fund for benefits (please separate benefits by COLA or second injury benefits); the total amount expended for costs (please detail specific administrative costs by minor object detail); the total amount of revenue from assessments; the total amount carried forward in the fund from the previous year; the total amount of other revenues in the fund (including transfers in); and the total amount of unexpended balances at the end of the fiscal year.**
>
> **Response:** See Schedule X.

Discussion Points (Cont'd)

b. Please provide the number of claimants receiving second injury benefits from the SIF each year, since inception. Please provide the average age of the beneficiary.

Response:

	Claimants Receiving SIF Beneficiaries			
	Second Injury Fund		Total & Dependent Suppl	All Cases
Payroll	Base Only	Base & Suppl.		
Jan-91	1,639	2,575	2,133	6,347
Jan-92	1,909	2,394	3,046	7,349
Jan-93	2,129	2,280	3,030	7,439
Jan-94	2,395	2,126	2,938	7,459
Jan-95	2,656	1,983	2,842	7,481
Jan-96	2,918	1,847	2,796	7,561
Jan-97	3,229	1,725	2,705	7,659
Jan-98	3,555	1,590	2,624	7,769
Jan-99	3,866	1,480	2,521	7,867
Jan-00	4,191	1,324	2,397	7,912
Jan-01	4,517	1,199	2,291	8,007
Jan-02	4,821	1,062	2,164	8,047
Jan-03	5,145	945	2,056	8,146
Jan-04	5,512	868	1,826	8,206
Jan-05	5,810	826	1,826	8,462
Jan-06	6,115	793	1,611	8,519
Jan-07	6,565	703	1,611	8,879
Jan-08	6,941	645	1,519	9,105
Jan-09	7,297	586	1,427	9,310
Jan-10	7,691	490	1,334	9,515
Jan-11	7,943	471	1,260	9,674
Jan-12	8,216	435	1,175	9,826
Jan-13	8,717	385	1,077	10,179
Avg Age:	66.1 YRS	80.7 YRS	77.51 YRS	66.23 YRS

c. Please provide the number of beneficiaries who are receiving COLA benefits from the Second Injury Fund each year, since P.L. 1980, c.83 was effective. Please provide the average age of these beneficiaries.

Response: See 13 b above.

d. Please detail from which fund the department plans to pay benefits during the time the SIF is operating at a negative balance. Will the department need a supplemental appropriation in FY 2013?

Response:

The State advances funds to cover benefit payments until sufficient resources are available through the collection process. The Department will continue to work with the Office of Management and Budget to insure that adequate funds are available to pay benefits.

Discussion Points (Cont'd)

e. Has the department considered updating the computer system operating the Second Injury Fund or instituting electronic delivery of benefit checks?

Response:

Over 56% of Fund beneficiaries received their biweekly payments by electronic deposit. Conversion of the current beneficiary and benefit calculation system is being transitioned to a newer database environment over the next 18 to 24 months.

f. What kind of follow up does the department conduct with Second Injury Fund beneficiaries to determine their social security benefit status?

Response:

Social Security benefit data is collected annually from all beneficiaries and, where appropriate, verified with officials of the Social Security Administration (SSA). A monthly cross-match is also conducted to identify beneficiary deaths reported to SSA to reduce the likelihood of overpayment.

14. 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. Those New Jersey employers that do not wish to participate in the State plan may offer an alternative private plan that provides, at a minimum, the coverage offered through the State plan.

Until 2012, the SDBF was funded by two revenue sources, a 0.5 percent wage tax paid by employees and an experience rating tax applied to wages paid by employers. P.L.2011, c.88 (C. 43:21-7 et al) requires that, for calendar year 2012 and each subsequent calendar year, a determination be made by the Commissioner of Labor and Workforce Development of the annual rate of contribution to be paid by employees into the SDBF. The rate will equal that amount which is sufficient, when added to employer contributions, to obtain a total amount of contributions equal to 120% of the benefits estimated by the commissioner to be payable for temporary disability leave benefits during the next calendar year, plus an amount equal to 100 percent of the cost of the administration of the payment of those benefits during the immediately preceding calendar year, less the amount of net assets remaining in the fund at the end of the preceding calendar year. The act also limits the rate of employee contributions which may be charged under a private plan for disability benefits to not higher than the rate of employee contributions to the SDBF set pursuant to the act. The rate for employees for CY 2013 is 0.2 percent[1], equal to the rate in 2012 and a 60 percent reduction in the average tax paid by employees in CY 2011.

[1] The employee rate for CY 2013 is 0.36%

Discussion Points (Cont'd)

Question: a. Please provide the value of revenues, benefits, and administrative expenditures, and the cash balance in the SDBF for: each month in calendar years 2011 and 2012; as many months as possible for calendar year 2013; and an estimate for the remaining months of 2013 and for 2014.

Response: See Schedule XI.

b. Please provide the number of employees that were assessed the TDI Tax in 2011, 2012, 2013 and estimated for 2014. Please provide the number of employees that pay the maximum tax in 2011, 2012, 2013 and estimated for 2014.

Response:

TDI State Plan covered employment

CY	Covered Employees	Paying Maximum
CY 2011	2,711,500	1,582,225
CY 2012	2,741,300	1,563,267
CY 2013	2,782,400 (estimated)	1,586,715 (estimated)
CY 2014	2,832,500 (estimated)	1,615,285 (estimated)

c. Please provide the number of employees that are provided private TDI coverage through their employers in New Jersey in 2011, 2012, 2013 and an estimate for 2014.

Response:

TDI Private Plan covered employment

CY	Number
CY 2011	591,000
CY 2012	597,500
CY 2013	606,400 (estimated)
CY 2014	617,300 (estimated)

d. Please provide, for the two most recent years available, the summary of morbidity data for completed claims, including: the major morbidity group (code); the percent of cases; the average duration of claim; and the average gross benefits.

Response:

See Schedule XII which provides the most recent two years of morbidity data. We do not expect to have the CY 2012 data until mid- April.

Discussion Points (Cont'd)

e. Please provide an estimate for the TDI assessment to be charged each employee for calendar year 2014.

Response:

Based on currently available data we estimate the rate will not exceed 0.45%.

15. P.L.2008, c.17 (C.43:21-26 et al.) established the "Family Leave Insurance" (FLI) program in the department. FLI extends the State's existing temporary disability insurance system to provide workers with up to six weeks of FLI benefits for a worker taking leave to provide care, certified to be necessary, for family members of the worker suffering a serious health condition or to be with a new child of the worker during the first 12 months after the child's birth or placement for adoption with the worker's family. These benefits are funded through an additional assessment on workers' wages subject to TDI taxes ($30,900 in CY 2013).

P.L. 2009 c. 195 changed the assessment used to fund the FLI Account from a set tax of 0.12 percent to a variable assessment that equals the rate that is sufficient to obtain a total amount of contributions equal to 125% of the benefits estimated to be payable for family disability leave benefits during the calendar year plus 100% of the amount estimated to be necessary for the cost to administer the benefits, less the amount of net assets which will remain in the account as of December 31 of the immediately preceding year. The assessment is updated on a calendar year basis and the assessment for 2013 is 0.1 percent, an increase over the 0.08 percent assessment in 2012. These funds are deposited into the FLI account within the State Disability Benefits fund (SDBF).

Question: a. Please provide an analysis of the current collection of revenue, benefits and administrative costs for the FLI account on a monthly basis thus far. Please estimate the revenue, benefits and administrative costs anticipated on a monthly basis for the remainder of FY 2013, as well as FY 2014 and FY 2015.

Response: See schedule XIII.

b. Please provide an analysis of benefits paid by calendar year since the July 1, 2009 start date of the FLI program, including the total number of claims and the number of claims attributable to each of the following categories:

1) **Bonding with a newborn**
2) **Bonding with a newly-adopted child**
3) **Care of a seriously ill child**
4) **Care of a sick spouse**
5) **Care of another seriously ill family member**

Response: See Schedule XIV.

Discussion Points (Cont'd)

c. For each of the above listed categories, please provide the average cost per claim and the average duration of the claim.

Response:

Family Leave Insurance (FLI) Program
Average Cost and Estimated Average Duration for Eligible Claims
Calendar Year 2011

	Bonding Claims			Care Claims				
	Newborn	Adopted Child	Total Bonding	Child	Spouse	Other Family	Total Care	**Total**
Eligible Claims[1]	24,413	208	24,621	1,493	1,931	2,656	6,080	**30,701**
Gross Benefits (Millions)	$63.2	$0.6	$63.8	$2.5	$3.5	$4.7	$10.7	**$74.5**
Average Cost per Eligible Claim[2]	$2,590	$2,700	$2,591	$1,644	$1,815	$1,782	$1,758	**$2,426**
Estimated Average Duration per Eligible Claim (weeks)[3]	5.3	5.1	5.3	3.8	4.1	4.0	4.0	**5.0**

[1]Eligible claims are defined as eligible original determinations, plus eligible redeterminations, less ineligible redeterminations.
[2]Average cost per eligible claim is calculated as gross benefits divided by eligible claims.
[3]Estimated average duration is calculated as weeks compensated divided by eligible claims; duration data may reflect claimants who are just beginning a claim or who are intermittent claimants and therefore have not collected all of their potential weeks of benefits.

d. Please provide the number and percentage of total FLI claims made for intermittent leave.

Response:

For CY 2012 there were 1,858 FLI claims made for intermittent leave. This represents 6% of the 30,892 eligible FLI claims for care or bonding.

Discussion Points (Cont'd)

e. Please provide the number and percentage of total claimants who had also collected temporary disability insurance through the State TDI program.

Response:

FAMILY LEAVE INSURANCE – STATE PLAN
SUMMARY OF ELIGIBLE NEW CLAIMS DATA
BY TYPE OF CLAIM
Calendar Years 2010 and 2011

	CY 2010		CY 2011	
Type of Claim	Number of Cases	Percent of Cases	Number of Cases	Percent of Cases
Care of a Family Member	6,325	20.80%	6,118	19.80%
Total Bonding Claims	24,119	79.2	24,823	80.2
Bonding Immediately Following a Pregnancy Claim for TDI	*11,218*	*36.8*	*12,168*	*39.3*
Bonding That Does Not Immediately Follow a Pregnancy Claim for TDI	*12,901*	*42.4*	*12,655*	*40.9*
Total*	30,444	100.00%	30,941	100.00%

*Total eligible claims do not exactly match other totals because of differences in data processing procedures.

f. Please provide the number of employees who were assessed the Family Leave Insurance Tax in CY 2011, 2012, and estimated for 2013. Please provide the number of employees that paid the maximum tax in CY 2011, 2012, 2013 and estimated for 2014.

Response:

FLI State Plan covered employment – estimated

	Covered Employees	Paying Maximum
CY 2011	3,668,100	2,159,770
CY 2012	3,710,700	2,149,396
CY 2013	3,766,000	2,161,263 (estimated)
CY 2014	3,833,500	2,172,987 (estimated)

g. Please provide the number of employees that are provided FLI through their employers' private plan in New Jersey in CY 2011, 2012, 2013 and an estimate for 2014.

Response:

The number of employees that are provided Family Leave Insurance through their employer's private plan is as follows:

Discussion Points (Cont'd)

CY	NUMBER
2011	13,518
2012	11,381 actual
2013	12,000 (estimated)
2014	12,500 (estimated)

h. Please provide an estimate for the FLI assessment to be charged each employee for calendar year 2014.

Response:

Based on currently available data we do not anticipate the rate to exceed 0.12% of the taxable wage base.

16. New Jersey provides extensive support for a wide range of workforce development programs. The three main components of workforce development programs in the DLWD are: State programs funded by unemployment insurance (UI) payroll tax revenues redirected into the Workforce Development Partnership Fund and the Supplemental Workforce Fund for Basic Skills; programs funded by the federal Workforce Investment Act (WIA), including programs for adult training, displaced workers, and youth; and State and federal programs to facilitate transitions from welfare to work, comprised of the State Work First New Jersey (WFNJ) program and the federal Temporary Assistance for Needy Families (TANF) program, also funded through the Workforce Development Partnership Fund.

In response to the OLS Discussion Points during the review of the FY 2013 budget, the department reported that spending for individuals in these programs was distributed as follows in the chart below:

	FY 2012	FY 2013 (est.)
WDP - Ind. Grants (DW)	$8,000,000	$5,500,000
WDP - Disadvantage-Smart Steps	$6,000,000	$3,350,000
WDP - Customized Training	$16,900,000	$11,400,000
WDP - OSHA	$1,600,000	$695,000
WDP - YTTW	$1,900,000	$1,340,000
WIA - Dislocated Worker	$32,201,066	$30,891,644
WIA - Adult	$20,180,226	$20,260,335
WIA - Youth	$20,362,826	$20,322,861
WFNJ - TANF	$52,610,984	$53,587,256
WFNJ - SNAP/GA	$28,745,016	$28,745,016
Total:	$188,500,118	$176,092,112

Also in response to the OLS Discussion Points, the department projected the average costs and the number of individuals who would be served and/or receive job training through the Workforce Development Programs (Workforce Development Partnership Fund (WDP); Workforce Investment Act (WIA); and Work First New Jersey (WFNJ) in FY 2012 and FY 2013:

Discussion Points (Cont'd)

PROGRAM	FY12 Projection (Served)	FY12 Projection (Received Training)	Cost per Participant	FY 13 Projection (Served)	FY 13 Projection (Received Training)	Cost per Participant
Workforce Development Partnership	**48,255**	**46,211**		**51,955**	**49,750**	
Customized Training	45,000	45,000	$368	48,000	48,000	$315
Indv. Train. for DW (WDP-ITG)	2,900	961	$3,850	3,600	1,500	$3,500
YTTW	120	80	$15,705	120	80	$15,705
SMART STEPS	235	170	$6,818	235	170	$6,818
Workforce Investment Act (Total) *	**69,200**	**13,400**	**$739**	**69,200**	**13,400**	**$721**
Adult	55,800	5,610	$309	55,800	5,610	$310
Dislocated Workers	13,100	6,740	$1,590	13,100	6,740	$1,486
Youth	6,200	4,050	$2,808	6,200	4,050	$2,803
Work First New Jersey (Total)	**45,950**	**27,200**		**45,950**	**27,200**	
TANF	27,950	19,400	$1,828	27,950	19,400	$1,828
General Assist/Food Stamps	18,000	7,800	$1,500	18,000	7,800	$1,500
All Workforce Development Programs	**163,405**	**86,811**		**167,105**	**90,350**	

*Note: Individuals may receive both services and job training and thus may be included under both columns.

Question: a. Please indicate, for each of the Workforce Development programs (WDP, WIA, WFNJ), how many individuals participated in job training during FY 2012 and how many are expected to participate in job training during FY 2013 and FY 2014. Please indicate how many individuals accessed services other than job training through WDP, WIA and WFNJ during FY 2012 and how many are expected to access services other than job training during FY 2013 and FY 2014. Please define these services. Please provide or estimate this data for FY 2012, FY 2013, and FY 2014 for each of the following programs: WDP dislocated workers; WDP disadvantaged workers; WDP customized training grants; WDP occupational safety and health training; WDP youth transitions to work; WDP SMART STEPPS; WIA dislocated worker training; WIA adult training; WIA youth training; WFNJ TANF recipients; WFNJ Food Stamp recipients; and WFNJ General Assistance recipients.

Response:

See Schedule XV.

WDP services, other than individual training grants, include but are not limited to: employment referral; employability assessment and counseling; labor market information; workshops on job search techniques, resume writing, interviewing skills ; referral to other training programs such as WIA and Tuition Waiver, etc.

Discussion Points (Cont'd)

In FY13 the Department underwent a retooling of existing Department programs to maximize all available funding resources and enhance customer experience. The Customized Training Program as well as the WDP-ITG program were redesigned and rebranded as follows:

Skills4Jersey:
The Skills4Jersey training grant program is the rebrand of the Department's Customized Training program. Funds are made available to New Jersey employers to upgrade the occupational, literacy and safety skills of their current employees and/or train new employees, for purposes of retaining highly skilled and high wage jobs in New Jersey. Skills4Jersey combines funds from three separate components of WDP and SWFBS to streamline the application process for employers.

The training can consist of on-the-job training (OJT) and/or classroom training. Training can be provided by the employer or by a training provider selected by the employer. Each employer that receives a grant must contribute a minimum of 50% of the total cost of the training services received. Any wages paid to employees during the training period may be utilized to fulfill this requirement.
Eligible applicants include: Individual employers, labor organizations, and a consortium of two or more employers organized by industry associations, educational institutions or other groups.

Recovery4Jersey:
In response to the devastating effects of Superstorm Sandy the Department released a separate Skills4Jersey NGO titled Recovery4Jersey. The NGO focused on supporting private sector recovery and rebuilding efforts after Superstorm Sandy. The Recovery NGO has the same general characteristics as the Skills4Jersey program initiative; however it targets companies involved in recovery and rebuilding efforts, including utilities and construction companies. This program serves as a private-sector complement to the federally-funded $15.6 million National Emergency Grant, that supports recovery and clean up jobs in local government.

Eligible applicants for this program are the same as Skills4Jersey, above. Potential applicants include utilities, construction and clean-up related employers and organizations.

Opportunity4Jersey:
As the economy continues to improve, employers in many industries continue to report that they have difficulty finding qualified workers with specific skills. The Opportunity4Jersey Training Grant program is a retooling of the Department's WDP-ITG program and is designed to address these workforce skills gaps, by funding training programs directly connected to the hiring needs of multiple employers. This program, which was piloted successfully in an NGO released in the summer of 2012, will increase employment opportunities for unemployed workers.

Eligible applicants include: Post-secondary educational institutions and/or approved training providers working in conjunction with pre-identified New Jersey employers or consortia of employers from one of the New Jersey state's targeted sectors.

Discussion Points (Cont'd)

WorkFirst/TANF, WorkFirst/General Assistance and Food Stamp recipients receive the following services beyond funded training services, based on an individual employability plan:

- Employment Counseling and employability plan development
- Referral to employment opportunities in the public and private sector
- Job search techniques training
    - Interviewing skills
    - Resume preparation
    - Effective Job Search Techniques
    - Labor Market Information
- Community Work Experience (Non-profit or government agency)
- To-Work Case Management

b. Please indicate for each of the programs listed in the question above, in each of the indicated years, the cost per individual trained.

Response:

See Schedule XV.

c. Please indicate for the federally funded WIA and Work First New Jersey programs, how much funding was received by the State for all programs in the State funded through these programs in FY 2011 and FY 2012, estimated for FY 2013 and FY 2014. Please indicate the amounts of WIA and WFNJ funding distributed to local partners? What level of funding was retained by the State for administrative or separate programming costs?

Response:

See Schedule XVI.

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

Response:

Through March 2013 the following programs have performed as follows:

YTTW – The Youth Transitions to Work (YTTW) program exposes high school juniors and seniors to apprenticeship programs and provides both structured on-the-job training and relevant classroom instruction. In FY12 LWD funded 8 contacts for 7 grantees totaling $1.2 million. As part of the awareness campaign for YTTW, 7,083 students attended outreach sessions to learn about the program. Of that number, 250 were accepted into the program and 54 were placed into union and non-union apprenticeship programs. A total of 5 were placed in trade-related employment.

Discussion Points (Cont'd)

H2H - LWD funded the Helmets to Hardhats (H2H) program with WDP Discretionary funds in FY12 and FY13. In partnership with the national Helmets to Hardhats program, the NJ Building and Construction Trades Council (NJBCTC) provided referral and case management services to at least 50 veterans with the goal of placing 24 into apprenticeable building trade occupations. One grant was provided each fiscal year in the amount of $190,000. The goal each fiscal year is to enroll 50 participants and place 24 participants in a registered apprenticeship program. In FY12, the grantee enrolled 480 participants and placed 54 into registered apprenticeship programs. In FY13 (as of 2/28/13), the grantee has enrolled 64 participants and placed 20 into registered apprenticeship programs. In FY13, LWD changed the reporting requirements for "enrolled" to include only those veterans who have received services – not just phone inquiries about the program.

Refer to Schedule I and our responses in 1ca and 1cb for data regarding Skills4 Jersey, Opportunity4Jersey and Recovery4Jersey.

17a. The New Jersey Workforce Development Partnership Fund (WDPF) was created pursuant to P.L.1992, c.43 (C.34:15D-1 et seq.) to provide training grants to disadvantaged and displaced workers and to employers to provide training to their employees. The WDP program is funded by worker and employer payroll taxes on wages subject to UI taxes.

WDPF moneys are statutorily allocated as follows: Customized Training, 45 percent; Individual Training Grants for Dislocated Workers, 25 percent; Individual Training Grants for Disadvantaged Workers, 6 percent; Occupational Safety and Health Training, 3 percent; Youth Transitions to Work Program, 5 percent; administration, 10.5 percent; and individual programs approved by the Commissioner, 5.5 percent.

The department estimated, in response to the OLS Discussion Points during the FY 2013 budget process, that the payroll tax revenues plus investment earnings would generate approximately $103.2 million in FY 2013. The Governor's FY 2014 Budget Recommendation includes multiple language provisions transferring a total of $75.5 million (74 percent) of the revenue to other purposes, including: $1.85 million to the New Jersey Youth Corps (D-242); approximately $64.7 million to the Work First New Jersey Program $21.5 million (D-242); $8.19 million (D-242); $35 million (D-218); and $9 million to Vocational Rehabilitation Services (D-242).

Question: For FY 2012, please provide the following actual data for each component of the WDP program (customized training, dislocated 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 2013 and FY 2014, based on the assumption that the current percentages, which are required by statute to be deposited in accounts for each component, will remain in effect:

1) The amount the department was required to spend under the WDP law's mandated allocations (from FY 2012 forward, the amounts required to be deposited in the accounts for each allocation), and the amount actually spent;

Discussion Points (Cont'd)

2) 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);

3) 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.

Response:

See Schedule XVII.

17b. The Governor's FY 2014 Budget Recommendation provides $36.87 million in Grants-in-Aid funding for Vocational Rehabilitation Services, of which $9 million is appropriated from the Workforce Development Partnership Fund through budget language (D-242).

Grants-In-Aid funding for Vocational Rehabilitation Services is awarded to community service providers to support programs such as: Sheltered Workshop Transportation; Supported Employment Services; Sheltered Workshop Support; and Independent Living Centers. Prior to the FY 2011 budget, appropriations for each of these program areas were reflected as individual line items in the Budget Recommendation and the Appropriations Act. Since the FY 2011 budget, all of these programs have been consolidated in the more general Vocational Rehabilitation Services line.

Question: For FY 2012, FY 2013 and anticipated for FY 2014, please provide the amount of Vocational Rehabilitation Services funding received by each program area as itemized in the FY 2010 Budget Recommendation.

Response:

Division of Vocational Rehabilitation Budget SFY 2014

Name	**2012**	**2013**	**2014**
Vocational Rehabilitation Services	$2,446,000	$2,446,000	$2,446,000
Direct State Services	**$2,446,000**	**$2,446,000**	**$2,446,000**
Sheltered Workshop Transportation	$2,495,860	$2,826,592	$2,826,592
Supported Employment Services	$5,942,421	$5,473,648	$5,473,648
Sheltered Workshop Employment Program	$21,275,163	$21,286,236	$21,286,236
Services for Deaf Individuals	$170,000	$170,000	$170,000
Independent Living Centers	$506,556	$633,524	$633,524
Training	$4,000	$4,000	$4,000
Services to Clients	$4,286,000	$4,286,000	$4,286,000
Sheltered Workshop Transportation - CRF	$2,196,000	$2,196,000	$2,196,000
Total Vocational Rehabilitation Services			
Grants In Aid	$36,876,000	$36,876,000	$36,876,000
Total Vocational Rehabilitation Budget	$39,322,000	$39,322,000	$39,322,000

Discussion Points (Cont'd)

18a. The Customized Training (CT) program was established in 1992 and is, according to the department, "a powerful economic development tool designed to create and retain high-skill, high-wage private sector jobs in New Jersey as a means to ensure a productive, globally competitive workforce." Grants can be awarded directly to companies, or can be provided to an employer organization, labor organization or community-based organization, or a consortium comprising one or more educational institutions and one or more individual employers or labor groups, or employer or community-based organizations that seek to address common training needs in demand occupations within a particular industry.

The funding for CT grants is generated from the tax allocated to the WDPF. Forty-five percent of all WDPF monies are statutorily allocated to CT grants. However, it appears that through a series of diversions from the WDPF, primarily to the Department of Human Services, the money dedicated to the statutorily established CT program is being depleted. In fact, as of April 23, 2012, all new funding for CT grants was suspended due to lack of available funds and until the implementation of Recover4Jersey, Skills4Jersey and Opportunity4Jersey programs in December 2012, there were no new CT funds allocated in FY 2013.

According to the department, the CT program and the other employer training programs of the department are being "rebranded" to provide a single application process for employers' and training groups to access training funds. Previously, employers or community organizations applied separately for CT grants, Basic Skills grants (discussed more in the following discussion point), and OSHA grants. Beginning in calendar year 2013, the department shifted the program to a new format, introduced in the wake of Hurricane Sandy, as Recovery4Jersey, Skills4Jersey and Opportunity4Jersey.

Skills4Jersey will be the primary employer training program. It will utilize funds dedicated to CT, Basic Skills and OSHA. The employers will apply for one grant for training and the department will determine which funding source best meets the needs of the employers' requested programs and apply the funding in that manner. The Notice of Grant Opportunities issued in the wake of Hurricane Sandy, indicated funding for up to $100,000 per grant, with a maximum of $11 million total for all grants.

Recovery4Jersey will be the On the Job Training (OJT) portion of the employer training monies. According to the department, the new program shifts the funding from individuals to training schools. The training schools are funded on an individual basis whereby the school can apply for the cost to train one individual for a job placement. It may apply for up to $6,000 per individual and is reimbursed upon the successful enrollment (25%), training (50%), and job placement (25%) of the trainee. The Notice for Grant Opportunity issued after Hurricane Sandy indicated that grants of up to $100,000 would be available with a maximum of $4 million allocated for the entire program.

Opportunity4Jersey is intended for "post-secondary educational institutions and/or approved training providers working in conjunction with pre-identified New Jersey employers or consortia of employers from one of the State's targeted employment sectors." The original grant announcement in the wake of Hurricane Sandy designated $4 million for the program. Each grantee could apply for up to $300,000 a grant.

According to the department's response to the OLS Discussion Points during the FY 2013 budget process, the department had provided more than $18 million in training grants

Discussion Points (Cont'd)

to 426 organizations in FY 2012. Included in these grants was the largest grant for FY 2012, $2.6 million for Revel Casino, considerably more than the approximately $250,000 per grant cap imposed by the Commissioner of Labor and Workforce Development in FY 2011. Additionally, press reports indicate that Revel was considering filing for Chapter 11 bankruptcy protection in March.

Question: a. Please provide the number of grants issued, the amounts issued, the number of employees trained, and the average cost per trainee for the CT program in, FY 2011, FY 2012, and FY 2013.

Response:

In FY13 the Customized Training program was rebranded as Skills4Jersey. This program combined all CT funding with WDP-OSH and SWFBS 25% CT Literacy funds into one business assistance training grant program.

Please refer to schedule XV for the number of employees trained and the average cost per trainee. The number of grants funded for CT in FY 2011 was 367, FY 2012 224. For FY 2013 as indicated in our previous responses we combined funding streams. Thus far in FY 2013 we issued 91 grants via Skills4Jersey, 2 grants each for Opportunity4Jersey and Recovery4Jersey.

b. Please explain the three new programs implemented after Hurricane Sandy and expected to be implemented as the new employer training programs in Calendar Year 2013 and into the future. Please provide an estimate of how many grants will be funded with CT monies for the new programs for the remainder of FY 2013 and FY 2014. Please provide detail as to how many grants will be completely funded or partially funded through CT. How does the department plan to report this information?

Response:

The Department will report all customized training grants as in previous years.

The key distinction is LWD will now report award outcomes by program not funding silo. As previously mentioned the customized training program, in an effort to streamline its application process, now intertwines 3 funding streams into one program. LWD will be able to report exactly how much was awarded to each grantee as a total award and by individual funding stream.

All grant awards are calculated for the total dollar award, required employer match, number of trainees to receive services, etc. and the information is posted on the Department's website once all confirmations are provided to the awardee.

In FY2013 the Department anticipates to fund 173 customized training grants through both the Skills4Jersey (169) and Recovery4Jersey (4) CT grant programs. These grants are estimated to train collectively over 71,900 participants at a cost of $15.5 million in grant awards. These grant awards take into account available customized training funds in the WDP-CT, SWFBS-CT, and WDP-OSH, line items.

Discussion Points (Cont'd)

This effort now saves employers time in the application process, better utilizes all funding streams, and has lowered the individual unit cost for the program.

c. Please explain which funding stream from the WDPF is being used for the Recovery4Jersey program.

Response: See answer provided in 1c.e.

d. Please provide information on the amount of funds expended by Revel for the CT grant approved in FY 2012. Is the CT program at Revel completed? If Revel files for bankruptcy protection, what, if any, effect will the bankruptcy proceedings have on training funds that were provided to Revel or are still being anticipated by Revel? Please comment on the approval process for the Revel grant.

Response:

The CT grant awarded to Revel was awarded in the amount of $2,600,626. To date Revel has been reimbursed $2,343,445.29 for training services delivered. This grant was awarded to Revel to train 3,077 new employees.

The grant was expected to end on 12/11/12. Due to the complications caused by Superstorm Sandy an extension request was submitted by the grantee and a new end date of 6/12/13 is now the planned end date for training services.

The CT grant awarded to Revel followed the same protocol all CT applicants follow. The applicant submitted an application via the online system. A panel review team examined the application and a recommendation to fund the grant was provided to the LWD executive chain. All levels of the LWD executive chain agreed with and approved the panel review team's recommendation.

Regarding bankruptcy proceedings LWD is aware of the circumstances. Please note customized training grants are awarded on a reimbursement format. Training services must be provided prior to reimbursement being sought from LWD. The Bankruptcy will have no impact on the grant as training services were provided.

18b. Additionally, the CT program requires that if, within three years following the end date of the training contract, an employer receiving a grant for customized training services relocates or out-sources out of State any or all of the jobs for which customized training services were provided, the employer shall, if all of the jobs are relocated or outsourced, return all of the grant moneys provided to the employer by the State for customized training services, or, if only a portion of the jobs are relocated or outsourced, return a portion of the moneys, determined by the commissioner to be appropriate and proportional to the portion of jobs relocated or outsourced, and the returned amount shall be deposited into the Workforce Development Partnership Fund.

In response to the OLS Discussion Points during the FY 2013 budget process, the department stated that the department's Office of Internal Audit (OIA) is notified when a grantee has expended over $100,000 of grants funds and has filed a contract close out

Discussion Points (Cont'd)

form. From 2003 through 2011, OIA opened 323 audit cases, and closed 233 of them. A total of $493,196 in Customized Training funds was recovered via the audit process during that time.

Additionally, "The Development Subsidy Job Goals Accountability Act," P.L.2007, c.200 (C.52:39-1 et seq.) requires businesses receiving development subsidies, including tax incentives, from a State agency to submit annual reports on the progress of the recipient in attaining job creation or retention for the duration of the subsidy or five years, whichever is longer. In response to OLS Discussion Points during the FY 2013 budget process regarding the implementation of the act in FY 2012, the department stated that each CT grantee who received a grant in the amount of $25,000 and above has completed a form submitted to the Office of Grants Operations in accordance with the act.

The changes being implemented by the department to the CT program may require that the funding for the grants be from several different accounts, and although the total grant may exceeds $25,000, each fund may only be responsible for amounts below $25,000.

Question: a. Please provide an update on the status of the system the department implemented to monitor grantees after the conclusion of their grant. Please discuss how the department captures the information for grantees that do not file a WARN Act notice. Please specify the other internal reports used to monitor grantees and detail the process the department uses to monitor these grantees. Please provide data indicating the number of grants currently being monitored. Since the inception of the program, what is the total dollar amount of Customized Training grants that have been repaid due to relocation or outsourcing of jobs? What percentage of grants and jobs assisted do these repayments represent? From FY 2007 to the present, please provide the same information by grantee.

Response:

The Division of Workforce Grant and Program Management (WGPM), which oversees the customized training program, utilizes WARN Act notices and departmental business notifications to monitor grantees beyond the conclusion of their grant. The Office of Grants Operations currently monitors all grants awarded from the initial award date through the stated three-year period post the grant close out. Currently, WGPM is monitoring over 700 grants. Since 2008, WGPM has received 543 notices concerning businesses that will experience employment changes. Only 37 of the 543 notices yielded matches for businesses receiving CT grants through WGPM. 36 of the 37 of the matching businesses were laying employees off and were not outsourcing jobs or relocating from New Jersey.

To date only one business has met the threshold described for action. While some grantees may have experienced layoffs in most instances it is due to lack of business and not relocation or outsourcing. In the one situation employees were offered employment but at the relocated facility in another State. In this instance situation the Department sought the recovery of funds through the Department's Office of Internal Audit. A final determination has been adjudicated and the Department is expected to be reimbursed the full value of the original grant award.

Discussion Points (Cont'd)

b. Please provide information from FY 2007 to the present on the number of audits received by the Office of Internal Audit and how many of these disclosed grant non-compliance. What is the total amount of funds identified to be recovered each year? What is the total amount of funds which are recovered by year?

Response:

The Office of Internal Audit (OIA) requests, obtains and reviews audits conducted on Customized Training Grants awarded by LWD. OIA is notified by the Customized Training program staff or through the State's cognizant audit program directed by the Office of Management and Budget when a grantee has expended over $100,000 of grant funds and has filed a contract closeout form.

From 2003 through 2012, OIA has opened 380 audit cases. Of these, 349 have been closed. The balance of cases are either in the review stage or are awaiting an audit report.

OIA reviews the audit report upon receipt and follows up on any matters pertaining to non-compliance with the grant agreement. If necessary, Initial/Final Determination Letters are sent to recover funds not expended in accordance with the contract. From the period 2003 through 2012, a total of $646,667 has been recovered.

Some audits may have contained minor non-compliance issues or non-compliance matters that were resolved. These are not "tracked." Therefore, the total number of audits that disclosed immaterial non-compliance is not available.

Customized Training funds from twenty grants were recovered via the audit process:

FY		Amount Received
2003	$	4,256
2004		4,400
2005		5,224
2006		142,785
2007		894
2008		261,039
2009		135,076
2010		55,523
2011		11,262
2012		26,208
Total	$	646,667

Cost recovery is tracked by case number, which corresponds to the calendar year the case was opened, and may not be the year repayment was received.

c. Please provide data on the monitoring efforts of "The Development Subsidy Job Goals Accountability Act" for the Customized Training program. Please provide the number and grant amounts of those grantees that are currently

Discussion Points (Cont'd)

being tracked through this program. What other State agencies are involved in the program? What other programs in the department are subject to the act's provisions?

Response:

In accordance with the Development Subsidy Job Goals Accountability Act, the Department of Treasury is responsible for insuring implementation of the Act. At this time the rules and regulations have not been finalized by the Department of Treasury.

Workforce Grant and Program Management currently requires the completion of a "Development Subsidy Job Goals Accountability Act" form when applying for Customized Training, Literacy Training, or Skills4Jersey in the amount of $25,000 or above. We have collected over 1100 forms totaling over $111 million in grant awards.

d. How does the department plan to monitor grantees who may receive total funding in excess of $25,000 from several different sources?

Response:

The Department is provided a list of grants awarded by all State agencies by OMB at the end of each fiscal year. The list provides total State/federal funding received by a grantee and assigns a cognizant State agency. Depending on the State and federal requirements we would request an audit or other procedures as necessary.

19a. The Supplemental Workforce Fund for Basic Skills (SWFBS) was created pursuant to P.L.2001, c.152 (C.34:15D-21 et seq.) to provide basic skills training to the workforce. The fund is supported by a 0.0175 percent tax on wages subject to the unemployment insurance tax ($30,900 in 2013). The funds collected are statutorily allocated in the following manner: 24 percent to support basic skills training delivered by State Civil Service employees at the State's One-Stop Career Centers; 28 percent for Workforce Investment Boards to give grants to individuals needing basic skills training; 25 percent for the Office of Customized Training to give grants to consortia of labor, business, and community groups providing basic skills training; 13 percent for a grant to the New Jersey Community College Consortium for Workforce and Economic Development to provide basic skills training; and 10 percent for administrative costs.

The department estimated, in response to the OLS Discussion Points during the FY 2013 budget process, that the payroll tax revenues, plus investment earnings, will generate approximately $29 million in FY 2013. The FY 2013 Appropriations Act included language authorizing the transfer of $2.2 million from the SWFBS to the New Jersey Youth Corps (page B-125) and $21.3 million from the SWFBS to county colleges for operating aid (page B-175). The FY 2014 Budget Recommendation contains identical language authorizing the transfer of $2.2 million from the SWFBS to the New Jersey Youth Corps (page D-242) and $18.8 million from the SWFBS to county colleges for operating aid (page D-379).

According to the department, the funds dedicated to the CT program are being "rebranded" and will be used to support the Skills4Jersey, Opportunity4Jersey and

Discussion Points (Cont'd)

Recovery4Jersey programs into the future. 25 percent of the revenue collected for SWFBS is intended for basic skills CT grants. These funds will now be delivered as part of the new program.

Question: a. Please list by category how the funds from the SWFBS were utilized in FY 2012, FY 2013, and an estimate for FY 2014, using the same format used in schedule XIV in the department's response to the OLS questions during the review of the FY 2013 budget.

Response:

See Schedule XVIII.

b. Please detail how the funding intended for the SWFBS will be integrated into the new grants programs. Will it just be the 25 percent statutorily dedicated to basic skills CT grants that will be redirected or will other parts of the SWFBS be reconfigured?

Response:

Based on the SWFBS Statute the Department only has the ability to utilize the 25% portion of SWFBS fund traditionally directed to the customized training program to support program delivery services.

The remaining portions of the Statute direct funding to local area WIB's (28%), One-Stop Career Centers (24%) and NJCCC (13%)

The 25% portion of SWFBS funds, which is directed to the customized training unit for purposes of supporting individual employer grants, consortia, etc. was utilized as follows in FY2013.

$5 million in funding under the 25% line item was deployed as follows:

- $2 million was utilized to fund the Literacy4Jersey program. This program was a one-time effort to support the level of service lost by the State's One-Stop Career Centers in the Workforce Learning Link program.
- The Literacy4Jersey program was intended to award one contract per WIB area which would serve up to 125 trainees in a WFLL style delivery format thus providing a referral source for the One-Stop Career Center System. Only 14 local areas responded. All 14 were awarded grants. One grantee dropped out after realizing this was a performance based contract. LWD has proceeded to award 13 grants which will recruit and train up to 1625 participants in need of Basic Skills / Literacy services.
- In addition, the remaining $3 million in 25% SWFBS funding was utilized as part of the Skills4Jersey and Recovery4Jersey customized training grant program to fund eligible training services.

Discussion Points (Cont'd)

c. How has the $21.3 million allocation from the SWFBS to the county colleges been used by the county colleges to assist the department in reaching the basic skills program goals? How does the department monitor the county colleges' use of the SWFBS funds each year? Please provide a report of the monies provided to each county college from the SWFBS and the clients served by each county college with these funds.

Response:

COUNTY COLLEGES
FY 2013 FINAL STATE AID ALLOCATION
STUDENTS ENROLLED IN REMEDIAL COURSES, FALL 2011

	Total Headcount Enrollment, Fall 2011	Remedial Headcount (at least one course)	% in Remedial Courses	FY 2013 Supplemental Workforce Funding
Atlantic Cape	7,655	2,148	28.1%	$ 875,253
Bergen	17,197	5,238	30.5%	2,027,272
Brookdale	15,783	4,465	28.3%	1,776,684
Burlington	10,091	2,696	26.7%	1,150,652
Camden	15,493	3,902	25.2%	1,550,600
Cumberland	4,291	1,290	30.1%	576,602
Essex	13,424	5,513	41.1%	1,966,718
Gloucester	6,609	1,913	28.9%	854,700
Hudson	9,331	6,866	73.6%	1,123,120
Mercer	9,697	2,298	23.7%	1,046,238
Middlesex	12,887	4,559	35.4%	1,711,234
Morris	8,705	2,636	30.3%	1,140,794
Ocean	10,367	2,455	23.7%	1,059,922
Passaic	9,548	1,686	17.7%	632,466
Raritan Valley	8,484	2,120	25.0%	842,212
Salem	1,506	356	23.6%	302,025
Sussex	4,122	1,134	27.5%	596,968
Union	12,878	3,701	28.7%	1,725,860
Warren	2,338	588	25.1%	340,680
	180,406	55,564	30.8%	$ 21,300,000

Source: OSHE Website, Institutional Profiles, FY 2012

19b. In FY 2012, the department adopted new guidelines for grants through the SWFBS, that allow small employers (250 or less employees) and consortiums serving these employers to request a waiver from the 50 percent match required of employers. Previously, employers could use the wages paid to the employees as part of the match, but some employers were not able to meet the 50 percent requirement even using the wages paid as their match. According to the department, in its response to the OLS Discussion Points during the FY 2013 budget process, one grant issued in FY 2012 was given the option of waiving the required wage match. The grant was given to a consortium led by community training providers and employers from over 105 companies had their employees request

Discussion Points (Cont'd)

participation in the grant. It is not clear how many employees were paid wages while attending the training offered by the consortium.

Question: **a. How many grants were funded in FY 2012 and FY 2013 through the different funding programs funded by the SWFBS? How many grantees were allowed to waive the 50 percent match? Please identify these grantees, either by name or if they were employers or community trainers. How many employees were served? Were they all not paid during training? What steps is the department taking to ensure that employers are not requiring employees to attend training when they are not on the payroll of their employer?**

Response:

Thirty-two Customized Training literacy grants were funded with SWFBS-CT funds in FY12.

To date 57 Skills4Jersey grants were funded in part by SWFBS-CT funds in FY13.

In FY12 only one applicant (a training provider leading a consortium) requested to waive the 50% match requirements for grant participation. The training provider is Urban Workforce Advantage. This training provider indicated they served a traditionally underserved population and focused on businesses that would otherwise not be able to participate in a customized training grant if not for the ability to waive the match. This grant served employees of 112 businesses.

In FY13 only two applicants (both training providers leading consortiums) have requested to waive the 50% match requirements for grant participation. Again Urban Workforce Advantage serving similar disadvantaged populations as in their FY12 grant and now New Jersey Community College Consortium (NJCCC) for a continuation of their existing grant with the New Jersey Business and Industry Association (NJBIA).

b. Will the waiver be available under the new employee training programs being implemented by the department?

Response:

A waiver request is available for businesses that are unable to pay employee wages when they participate in specific literacy training services. This allowance was developed to encourage businesses to participate in literacy services with their employees in order to enhance their basic skills.

The Skills4Jersey & Recovery4Jersey customized training program expectation is that businesses will pay their employees' wages while participating in all trainings. The wages will be used toward the required 50% match.

Discussion Points (Cont'd)

c. Is the waiver available to employers being served through the 13% of funding intended for the New Jersey Community College Consortium for Workforce and Economic Development?

Response:

The 13% direct funding is statutorily mandated. LWD does not impose programmatic rules in direct funding situations. For all grants the NJCCC directly applies for via LWD programs, they are required to follow the same guidelines as other applicants.

20. The federal Workforce Investment Act of 1998 (WIA) (Pub.L.105-220) provides the framework for a national workforce preparation and employment system designed to meet both the needs of the nation's businesses and the needs of job seekers and those who want to enhance their careers.

WIA is based on the following elements: training and employment programs designed and managed at the local level where the needs of businesses and individuals are best understood; individuals must be able to access the employment, education, training, and information services they need at a single, local location; individuals controlling their own career development should be able to choose a training program and the organizations that will provide that service; individuals have a right to information about the success or failure of training providers in preparing people for jobs; and businesses will provide information and leadership, thus playing an active role in ensuring that the system prepares people for current and future jobs.

P.L.1992, c.48, (C.34:15B-35 et al) imposed State standards on federal training programs, including programs funded under the federal Job Training Partnership Act (Pub.L.97 – 300), which was in effect in 1992, and programs funded under WIA since 1998. The programs are under the auspices of the department and the department is responsible for distributing the federal funding to the local Workforce Investment Boards (WIBs) and for administering certain programs funded through WIA on the local level.

Each WIB, with membership that includes local businesses, helps plan and direct federal, state and local investment in workforce development programs. WIBs work with the State's 34 One-Stop Career Centers, where job seekers can get employment information and learn about career training opportunities, and where employers can come for information on the labor market, job training programs, business incentives and to hire new employees.

The State anticipates receiving approximately $123 million in FY 2014 (page C-22) in federal funds to support the WIA activities throughout the State. The majority of the money is to be distributed to local WIBs through a federal funding formula. Additionally, the State may apply for discretionary federal grants for Statewide programs.

Discussion Points (Cont'd)

Question: **a. Please detail the WIA funding received by the State in Program Years 2012, 2013, and 2014. Please detail the uses of these funds, including the names of recipient organizations.**

Response:

See Schedules XVI and XIX and the response to question 1d.

b. Please provide the following data for the WIA Adult, Dislocated Workers and Youth programs: funding levels allocated to the State and to local funding recipients (local WIBS or other entities) for WIA Adult, Dislocated Workers and Youth programs, by funding entity, by program for Program Year 2012, 2013 and 2014.

Response:

See Schedule XIX**.**

21. P.L. 2009, c. 313 (C.52:38-7 et seq.) requires that any State or local public body, upon entering into any public works contract in excess of $1,000,000 funded, in whole or in part, by funds of the public body, or any public works contract of any size which is funded, in whole or in part, by funds provided to the public body pursuant to the American Recovery and Reinvestment Act (ARRA) in 2009 must transfer an amount equal to 0.5 percent of the portion of the contract amount to the DLWD.

The department is required to use the transferred funds to provide on-the-job or off-the-job outreach and training programs, including programs of preparation for admission into registered apprenticeships, for minority group members and women in the construction trades, with opportunities for long-term trade and professional employment providing economic self-sufficiency for the minority group members and women.

The law excludes certain Statewide authorities from the requirement to transfer the funds to the department. A Statewide authority which enters into an eligible public works contract and administers a program providing outreach and training programs for minority group members and women in the construction trades may retain the funds as necessary for the program.

P.L.2009, c.335 (C.52:40 -1 et seq.) requires the Contract Compliance and Audit Unit, transferred to the DLWD in 2012, but formerly within the Division of Purchase and Property in the Department of the Treasury, to determine whether each of the State entities whose performance it monitors have properly allocated and released to the DLWD, as authorized by law, one-half of one percent of the total cost of a construction contract of $1,000,000 or more, to be used by the department for the New Jersey Builders Utilization Initiative for Labor Diversity (NJBUILD) program to train minorities and women for employment in construction trades. Additionally, the statute establishes certain reporting requirements and contractual obligations for businesses contracting with the State regarding the use of small and minority and women-owned businesses.

The FY 2014 Budget Recommendation contains a decrease of $450,000 dedicated to Administration and Support Services (page D-231). According to the department, this

Discussion Points (Cont'd)

reduction in funding will be made up by an appropriation from the NJ BUILD fund to support the six staff members and related costs of the Office of Contract Compliance and Equal Employment Opportunity in Public Contracts.

According to fiscal data, the NJ Build account has approximately $3.2 million in uncommitted funds as of March 4, 2013. In response to the OLS Discussion Points during the FY 2013 budget process, the department reported that approximately $12.5 million collected for the NJ BUILD fund had not been used for its intended purpose, but rather was lapsed to the General Fund in FY 2010, FY 2011 and FY 2012.

Question: **a. Please provide an estimate for the amount of revenue the department anticipates from the 0.5 percent transfer required pursuant to P.L.2009, c.313 in FY 2012, FY 2013 and estimated for FY 2014. Please detail this revenue by source, being specific as to local entity, authority, State entity, educational entity, etc.**

Response:

See schedule XX.

b. Please provide information on the programs to be funded with this revenue, including the approximate budget of each program and clients anticipated to be served.

Response:

1. In order to implement a training program utilizing NJBUILD funds, LWD provided an Individual Training Account (ITA) program for women and minorities in the construction trades LWD funded $518,813 for 84 grants to training providers and funded 11 County One–Stop Career Center Contracts to administer the individual agreements. The training grants began in FY12 and continued into FY13. The original target for this period was a minimum of 118 ITA's will be written for NJBUILD. It is currently anticipated that an additional 34 ITA's will be completed by the end of FY13 bringing the total to $885,000.

2. Changes in the method of funding programs by LWD for FY14 will include a change to competitive applications for training to provide an anticipated $2 million to 10 grantees to focus on a holistic program for employer driven trades, a fee for service model.

3. Scholarships to encourage women and minorities to enter two and four year degree programs relating to construction and construction related fields will be incorporated into the FY14 program plan. It is anticipated that $1 million will be provided for this component.

4. The department will embed placement and retention services into each competitive NGO for FY14. The department is prepared to contract each grantee for services at $2,000 each for a total of $560,000 with FY14 revenue.

Discussion Points (Cont'd)

5. The On-the-Job Training (OJT) component of the project for the FY13 year was held in abatement. For FY14 funds will be incorporated into the competitive NGO in the amount of $2,000 for each individual for a total of $560,000**.**

c. Please detail the use of any remaining funds in the NJBUILD account.

Response:

NJBUILD ITAs

Any remaining available funds will be utilized to continue the funding of ITAs through the end of FY13 and be available for use in FY 14 for the activities indicated in response 21b.

d. Please account for all of the funds collected for NJ BUILD since its inception, by year and source. Please account for all revenues expended by the NJ BUILD fund, by year and by funded program, please include any administrative or costs incurred in addition to the funded programs.

Response:

See schedule XX.

Civil Service Commission

22. In FY 2013, the Office of Workforce Initiatives and Development was transferred from the Department of the Treasury to the Civil Service Commission located in, but not of, the DLWD.

The Office of Workforce Initiatives and Development compiles information on the human resources and training needs of State government; provides online training courses to employees of State government agencies; offers basic guidance and referrals through the Employee Advisory Services; <u>and investigates and hears appeals related</u>* to Equal Employment Opportunity and Affirmative Action requirements for public employers and employees. The Office generates revenue through fees paid by other State departments and municipalities to utilize the services of the Office.

In FY 2012, prior to the transfer of the Office from the Department of the Treasury to the Civil Service Commission, the operations of the Human Resource Development Institute (HRDI) were shifted from an in-classroom training program to an online management system offering mandatory training to all State government employees on policy issues such as ethics, workplace violence, and diversity. According to the Office, this shift in operations necessitated a change in the funding mechanism for the Office. Prior to the shift, State agencies reimbursed the Office for each employee attending classroom training. However, in FY 2012, the Office initiated a fee schedule charged to all State agencies, based on employee size. As of March, 2012 the Office had collected $340,290 in FY 2012, but anticipated collecting $805,000 each fiscal year through the fee.

Discussion Points (Cont'd)

*Equal Employment Opportunity and Affirmative Action develops and administers EEO/AA program for all State Agencies

Response:

Background

In FY 2013 when the Office of Workforce Initiatives and Development was transferred from the Department of the Treasury to the Civil Service Commission, the business model for training and development was adjusted. Recognizing one-size approach does not necessarily meet all needs, the Civil Service Commission (CSC) conducted a needs analysis through customer surveys and focus groups to determine the best course of action for providing training. According to the survey 96.3% responded that they would take advantage of classroom training if it was offered. The State, county and local agency customers overwhelmingly supported a blended learning model approach, combining the e-learning with the more traditional, instructor-led training. A significant advantage to this combined learning approach is the ability to cater to individual learning needs. Employees can select the best learning methodology that works for them. Additionally, e-learning courses can be used in conjunction with classroom training classes to even further enhance the learning experience. In order to meet this demand, the Civil Service Commission formed a partnership with the New Jersey Community College Consortium for Workforce and Economic Development to deliver training. Partnering with educational institutions is a cost-effective strategy for promoting a comprehensive range of workforce training benefits and career development services.

Question: a. Please provide the fee schedule charged to each State agency for the Office's services.

Agency Employees	Annual fees
Less than 200	$ 1500
201 - 300	$ 5000
301 - 500	$ 7500
501 - 900	$ 15,000
901 - 1200	$ 20,000
1201 - 2500	$ 35,000
2501 - 3500	$ 60,000
3501 - 5000	$ 80,000
Over 5000	$ 100,000

Discussion Points (Cont'd)

b. How much revenue was collected through these fees in FY 2012, thus far in FY 2013 and anticipated in the remainder of FY 2013 and FY 2014?

	Treasury	Civil Service Commission			
	FY 12	FY 13	FY13	FY 13	FY 14
Development Fees	Actual	as of 3/21/13	Balance Projected	Total	Projected
Training					
LMS licenses	$440,290	$618,750	$0	$618,750	$600,000
Course fees	24,820	336,081	60,000	396,081	250,000
Total training	465,110	954,831	60,000	1,014,831	850,000
Employee Advisory Service	157,475	151,500	45,000	196,500	150,000
Total Development fees	**$622,585**	**$1,106,331**	**$105,000**	**$1,211,331**	**$1,000,000**

c. How many State employees have accessed the online training offered through the Office in FY 2012, thus far in FY 2013 and anticipated in the remainder of FY 2013 and FY 2014?

	Treasury	Civil Service Commission			
	FY 12	FY 13	FY13	FY 13	FY 14
Trainees	Actual	as of 3/21/13	Balance Projected	Total	Projected
Online training	43,265	32,297	14,000	46,297	50,000
Classroom	0	718	400	1,188	3,000
Total training	43,265	33,015	14,400	47,415	53,000

Company Name	Grant Amount	Estimated Trainees	Projected New Hires	Previously funded by WDP funds? Y / N
Atlantic Cape Community College (3 Participating Companies)	$284,702	1653	650	Y
Caesar Entertainment = (4 Participating Companies)	399,661	853	377	Y
The Arc Of Atlantic County	36,800	196	40	Y
The Arc Of Essex County	75,200	109	79	N
Our House Inc.	49,600	62	13	Y
H &H Industrial Corporation	22,000	23	4	Y
Guttenplan's Frozen Dough, Inc.	44,400	60	4	N
Mayab Tacos	33,200	36	7	N
William Grant & Son	46,000	60	5	N
Data Vista, Inc.	36,400	28	5	N
Power Magnetics, Inc.	22,000	21	6	N
General Mills Progresso	100,008	363	17	Y
Seiko Corporation of America	73,600	90	9	N
NFI Industries, Inc = (2 Participating Companies)	97,600	139	27	Y
Bombardier Transportation	50,800	97	15	Y
Atlas Refinery	22,400	20	2	Y
Integrity Inc.	30,400	50	13	Y
Pflaumer Brothers Inc.	31,600	18	12	Y
Allies Inc.	75,200	160	174	Y
Thales Avionics	49,600	110	10	Y
Acuity Brands Lighting	60,800	70	12	Y
Ohm Labratories, Inc. = (2 participating companies)	99,200	250	12	Y
Breeze Eastern Corp.	52,800	90	8	Y
Siegfried USA, LLC	38,400	100	5	Y
OFS Laboratories	46,400	60	7	N
Precision Escalator Products	65,600	70	6	Y
Metlife Solution Group	57,600	90	29	Y
Foremost Mfg.	48,800	50	4	Y
Morre-Tec Industries	31,200	32	4	Y
NJ Precision Technologies	43,200	40	4	Y
AJ Images Inc	29,600	28	5	Y
Englewood Lab LLC	84,800	92	2	N
KT MT Corp American Fasteners	22,000	11	3	Y
Champion Plastics Division of X-L Plastics	68,800	127	4	Y
Thermo Fisher Scientific	99,200	210	12	Y
Richland Glass	48,000	48	4	Y
ConAgra Foods dba Spicetec Flavors & Seasoning	12,800	43	2	N
Durex, Inc.	22,400	45	3	Y
Stepan Company	98,906	112	4	Y
Design Display Group	98,165	109	4	Y
New Age Metal Fabricating	62,140	52	5	Y
NJCCC FY13 NJBIA MOU Extension Grant = (19 participating colleges to deliver services)	725,000	20,000	0	Y
NJCCC - NJ Hospital Assoc = (2 partcipating companies)	410,400	5130	12,927	Y
James Candy Company	33,600	26	2	Y
Fisk Alloy Wire Inc.	67,200	50	10	Y
Soundview Paper Co	99,200	96	20	N
General Aviation	28,800	19	9	Y
Cementex Products, Inc.	30,400	22	4	Y
Pacor Inc.	36,400	30	7	Y
International Micro Industries Inc.	12,800	10	3	N
Compex Corp	23,600	22	5	N
Airborne Systems North America of NJ, Inc	22,400	34	7	N
I.S. Parts International DBA Lattimer	28,400	21	13	Y
Maplewood Beverage Packers	43,600	90	5	N
Chesapeake Pharmaceutical	49,600	57	10	N
Accurate Screw Machine	24,000	28	5	Y
State Tool Gear Company	16,000	10	2	N
Shamrock Technologies	24,000	35	10	Y
Mannkraft Corp dba Kampack Inc	39,600	47	5	Y
Kason Corp	40,000	30	3	Y
Galaxy Glass And Stone	34,800	35	2	N
Rle Industries Llc	41,600	28	2	N
Henry Troemner	40,000	113	8	Y
Sarkli-Repechage Ltd.	34,800	34	12	N
B T Industries	32,000	30	10	N
European Bread Inc. Shripps TA	25,600	38	9	N
Riegel Printing Co	35,200	40	7	Y
Ranger Industries	33,600	18	9	Y
Air Cruisers Company	51,200	65	12	Y
Applied Resources Corporation	14,400	11	3	N
Norwalt Design Inc.	38,400	40	3	Y

Company Name	Grant Amount	Estimated Trainees	Projected New Hires	Previously funded by WDP funds? Y / N
Artisan Controls Corporation	30,000	15	3	N
Greener Corporation	36,800	37	4	N
Crown Roll Leaf	22,000	30	18	N
Atlantic Casting & Engineering Corp	48,000	60	15	Y
Falstrom Company	22,000	12	4	N
Oticon Inc.	80,000	124	20	N
Nitta Casings	49,600	50	8	Y
General Tool Specialties = (2 Companies)	19,200	10	2	N
Reckit Benckiser	71,764	50	16	Y
Paramount Plating Co.	30,000	16	3	N
Master Taste Inc	43,200	44	20	N
Exothermic Molding.	22,000	20	5	Y
Rutgers University = (19 Participating Companies)	1,033,593	6171	2700	Y
Rutgers University Financial Services Consortium = (4 participating companies)	358,679	1170	537	Y
Stevens Institute of Technology = (8 participationg companies)	753,600	4352	231	Y
Robert Wood Johnson (consortium 2 Companies)	75,200	80	30	Y
TNT EDU SVCS-TECH = (6 participating companies)	310,400	482	149	Y
TNT Health Care Consortium = (9 participating companies)	665,600	1045	1190	Y
Urban Workforce Adv = (220 Participating Companies)	303,597	510	17	Y
US Green Building Council - NJ = (15 participating companies)	456,000	1,030	300	Y
Spectrum for Living	75,200	400	80	N
Community Access Unlimited	99,643	300	78	Y
The ARC of Hunterdon County	51,200	402	32	N
The ARC of Union County	97,950	2638	126	Y
Distek Inc.	50,400	68	8	Y
Spex Certiprep Group = (3 participating companies)	50,400	75	5	N
Avenues to Independent Living	30,708	86	10	N
North Jersey Friendship House	36,600	70	20	Y
ARC of Somerset	75,200	277	90	Y
Eden Autism	78,064	247	27	N
The Arc of Warren County	51,263	141	26	N
NJBIN - New Jersey Business Incubator Network (x Companies)	115,200	480	50	N
South Jersey Behavioral Healthcare	6,600	51	32	N
Allstate Can Corporation	41,200	60	12	N
Goya Foods	57,200	154	19	N
Essex County College = (4 participating companies)	328,200	590	25	Y
Tyrx, Inc.	48,000	114	2	N
Universal Supply Company	99,200	656	11	Y
Vitel Communications	99,856	158	90	Y
Trump Taj Mahal Associates = (2 participating companies)	200,000	4293	300	Y
IOUE Local 825	99,436	1039	0	N
Wyndham Worldwide Corp = (3 participating companies)	264,912	463	55	Y
Solidia	87,483	36	23	N
Cartridge Actuated Devices	40,995	33	2	N
Coty Inc.	51,200	67	10	Y
Emerging Power	49,200	33	9	Y
Solar Compounds Corp	28,000	70	3	Y
Geodis Wilson USA	97,600	90	7	Y
Active	48,000	54	5	N
Plast-o-Matic Valves	50,000	65	3	Y
Acuity Specialty Hospital	49,600	54	17	Y
Cerebral Palsy Association of Middlesex County	77,600	206	25	Y
Abbot Point of Care	78,800	190	26	Y
Alcoa	27,200	60	25	Y
Marlabs	96,000	110	90	Y
Homefront	51,200	98	20	N
Planet Honda	54,400	110	10	Y
Associated Materials, LLC	20,800	100	2	N
Trump Photonics	55,200	302	3	N
Hanjin Shipping	16,000	54	2	N
L3 Communications, Space & Navigation	24,000	21	2	N
AAA Automobile	79,200	103	46	Y
NJ Comm Coll Consortium SEIU = (24 participating companies)	250,800	1,860	0	Y
California Closets	20,000	10	9	N
City Theatrical Inc.	44,800	30	7	Y
Food-Tek	17,600	70	3	N
GPR Company	22,000	11	3	N
Safas Corp.	22,000	20	3	N
Belair Instrument, Inc.	22,000	10	3	N
Cetylite Industries Inc.	24,000	27	1	Y
Dialight Corp	38,400	31	18	Y

Company Name	Grant Amount	Estimated Trainees	Projected New Hires	Previously funded by WDP funds? Y / N
Switlik Parachute	24,000	31	6	Y
Triangle Mfg.	35,200	50	10	Y
Northeast Food Inc.	70,400	200	8	Y
Case Medical, Inc.	50,000	60	15	N
Control Products Inc.	30,400	20	2	N
Compass Wire	28,800	45	3	Y
Excelsior Medical	56,000	30	15	N
Kearfott Corporation	59,200	48	8	Y
Marlboro Tool and Manufacturing Co Inc.	27,200	14	2	Y
Summit Hill Flavors	30,400	20	3	N
D'Orazio Foods, Inc.	24,000	20	10	N
Superior Powder Coating	32,800	60	4	N
Triangle Tube Phase III Co., Inc.	24,000	21	2	Y
The Fifty Fifty dba Lola Products	14,800	14	2	N
Wastequip	48,800	30	6	Y
Farrell Equipment & Controls	24,000	17	3	Y
Nustar Asphalt, LLC	38,400	50	4	N
Rockline Industries	26,400	43	8	N
Chanel	100,000	285	0	Y
Johanson Manufacturing Corporation	75,938	48	7	Y
Hoeganaes Corp	96,692	51	6	Y
Roselle Paper Company	96,279	143	9	Y
Blickman Inc.	74,776	50	6	Y
Atlantic Cape C C and Atlanticare = (3 participating companies)	299,295	1,822	850	Y
TNT Educational Services = (12 participating companies)	227,600	533	858	Y
Bancroft	99,945	2461	422	Y
William Patterson University - Healthcare # 3 = (8 participating companies)	314,640	375	118	Y
Total	$14,970,289	70,622	23,866	

Schedule II

LWD IMPACT OF SEQUESTRATION

4/15/2013

	USDOL - ETA PY 2012 Actual	PY 2013 with Sequestration (1)	PY 2013 actual v. seq Inc/Dec over PY 2012
WIA Programs			
Adult	$ 20,260,335	$ 20,818,294	$ 557,959
Dislocated Workers	30,891,644	34,164,009	3,272,365
Youth	20,322,861	21,602,153	1,279,292
Sub - Total WIA programs	71,474,840	76,584,456	5,109,616
Employment Services	19,163,297	19,327,376	164,079
Worforce Information Grant	797,757	803,433	5,676
Total USDOL/ WIA-ES	$ 91,435,894	$ 96,715,265	5,279,371

(1) TO BE UPDATED WHEN FINAL US DEPARTMENT OF LABOR APPROPRIATIONS ARE ENACTED.

	USDOL- OSHA FY 2013 Allocation	Sequestration Allocation	FY 2013 Reduction
On Site Consultation	$ 1,902,000	$ 1,632,000	$ (270,000)
Public Employees OSHA	1,984,700	1,920,500	(64,200)
Data Collection	57,500	-	- (57,500)
Total USDOL/OSHA	$ 3,944,200	$ 3,552,500	$ (391,700)

	USDOE - RSA (1) FY 2013 Allocation	Sequestration Allocation	FY 2013 Reduction
Vocational Rehabilitation Services	$ 47,750,273	$ 45,535,378	$ (2,214,895)

(1) TO BE UPDATED WHEN FINAL US DEPARMENT OF EDUCATION APPROPRIATIONS ARE ENACTED.

	Emergency Unemployment Compensation (EUC) Prior to Sequestration FY 2013	Post Sequestration	
EUC Benefits Paid 4/28 to 9/30	$ 875,000,000	$ 763,000,000	$ (112,000,000)

Schedule III

UNEMPLOYMENT COMPENSATION FUND
TAX TABLE COMPUTATIONS
@ BASE
(in millions)

	ACTUAL 7/11	ACTUAL 7/12	EST. 7/13	EST. 7/14	EST. 7/15	EST. 7/16
UCTF Account 3/31	$ 33.1	$ 32.0	$ 32.4	$ 9.9	$ 509.7	$ 1,307.1
Accrued Contributions	1,008.6	1,213.0	1,232.6	1,450.0	1,387.4	1,343.8
Benefits Payable (UI only)	(49.7)	(43.0)	(40.0)	(38.0)	(37.0)	(37.0)
Reed Act & Stimulus Admin	(32.8)	(32.0)	(32.4)	(9.9)	-	-
Loan Balance 3/31	(1,991.6)	(1,738.5)	(1,142.0)	(450.2)	-	-
All other assets & liabilities	107.3	60.4	60.4	60.4	60.4	60.4
Fund Balance	$ (925.1)	$ (508.1)	$ 111.0	$ 1,022.2	$ 1,920.5	$ 2,674.3
Taxable Wages	$ 72,482.9	$ 73,210.1	$ 73,725.5	$ 76,232.2	$ 79,205.2	$ 82,690.3
Reserve Rate	forced	forced	0.15%	1.35%	2.42%	3.23%
Table	**D**	**E**	**E + 10%**	**E**	**D**	**C**
Employer Contributions			$ 2,454.8	$ 2,877.0	$ 2,886.4	$ 3,106.6
Total Employer Cont FYS 2013-2016						**$ 11,324.8**

UNEMPLOYMENT COMPENSATION TRUST FUND ACCOUNT
CASH FLOW ANALYSIS
FY 2012
(in millions)

MONTH	BEG BLNCE	EMPLOYER CONT	WORKER CONT	TOTAL CONT	FUTA CREDITS	BENEFITS	REED ACT STIM ADM	OTHER	LOAN	END BLNCE	LOAN BALANCE
JULY 2011	$33.0	$ 116.8	$ 21.8	$ 138.6		$ 197.3	$0.0	$10.4	$48.0	$ 32.7	$ 1,595.1
AUGUST	32.7	502.0	68.9	570.9		242.6	-	51.3	(379.7)	32.6	1,215.4
SEPTEMBER	32.6	9.8	0.4	10.2		220.7	-	1.3	209.2	32.6	1,424.6
OCTOBER	32.6	192.9	30.3	223.2		195.7	-	(12.1)	(15.4)	32.6	1,409.2
NOVEMBER	32.6	212.9	22.0	234.9		194.6	0.5	55.7	(96.0)	32.1	1,313.2
DECEMBER	32.1	8.9	0.7	9.6		193.0		28.0	155.4	32.1	1,468.6
JANUARY 2012	32.1	258.6	34.8	293.4		229.9		(0.1)	(63.4)	32.1	1,405.2
FEBRUARY	32.1	34.9	3.4	38.3		248.8		58.9	151.6	32.1	1,556.8
MARCH	32.1	12.0	(0.6)	11.4	$ 41.6	245.0	0.1	10.3	181.7	32.0	1,738.5
APRIL	32.0	137.9	39.9	177.8	13.9	208.9		(23.4)	40.6	32.0	1,779.1
MAY	32.0	921.1	106.0	1,027.1	12.2	211.5		67.5	(895.3)	32.0	883.8
JUNE	32.0	7.7	0.4	8.1	1.3	182.7		4.9	168.4	32.0	1,052.2
TOTAL	$33.0	$ 2,415.5	$ 328.0	$ 2,743.5	$ 69.0	$ 2,570.7	$ 0.6	$ 252.7	$ (494.9)	$ 32.0	

UNEMPLOYMENT COMPENSATION TRUST FUND ACCOUNT
CASH FLOW ANALYSIS
FY 2013
(in millions)

MONTH	BEG BLNCE	EMPLOYER CONT	WORKER CONT	TOTAL CONT	FUTA CREDITS	BENEFITS	REED ACT STIM ADM	OTHER	LOAN	END BLNCE	LOAN BALANCE	IUR	TUR
JULY 2012	$32.0	$ 585.2	$ 82.7	$ 667.9	$ 1.1	$ 210.4	$ -	$ 9.1	$ (467.7)	$ 32.0	$ 584.5	3.7	$ 9.8
AUGUST	32.0	42.2	2.3	44.5	0.4	212.9	0.2	53.1	114.9	31.8	699.4	3.6	9.9
SEPTEMBER	31.8	10.4	0.7	11.1	-	170.8	-	7.9	151.8	31.8	851.2	3.6	9.8
OCTOBER	31.8	38.8	7.6	46.4	(0.2)	185.4	-	(5.4)	144.6	31.8	995.8	3.6	9.7
NOVEMBER	31.8	371.2	44.4	415.6		209.8	-	39.5	(245.3)	31.8	750.5	4.3	9.7
DECEMBER	31.8	4.2	0.8	5.0	0.1	207.7	(0.6)	22.3	180.3	32.4	930.8	3.8	9.6
JANUARY 2013	32.4	270.2	35.1	305.3	(0.1)	253.8	-	11.4	(62.8)	32.4	868.0	3.8	9.0
FEBRUARY	32.4	38.5	4.2	42.7	-	220.1	-	24.0	153.4	32.4	1,021.4	3.8	9.0
MARCH	32.4	3.7	(1.0)	2.7	92.3	221.0	-	5.4	120.6	32.4	1,142.0	3.8	9.0
APRIL	32.4	73.8	9.0	82.8	22.8	217.5	-		111.9	32.4	1,253.9	3.7	9.0
MAY	32.4	996.2	131.0	1,127.2	19.4	206.7	-	17.0	(956.9)	32.4	297.0	3.7	9.0
JUNE	32.4	20.4	2.2	22.6	2.6	181.1	-	18.0	137.9	32.4	434.9	3.7	9.0
TOTAL	$32.0	$ 2,454.8	$ 319.0	$ 2,773.8	$ 138.4	$ 2,497.2	$ (0.4)	$ 202.3	$ (617.3)	$ 32.4			

FY 2014
(in millions)

MONTH	BEG BLNCE	EMPLOYER CONT	WORKER CONT	TOTAL CONT	FUTA CREDITS	INTEREST INCOME	REED ACT STIM ADM	BENEFITS	LOAN	END BLNCE	LOAN BALANCE	IUR	TUR
JULY 2013	$32.4	$ 68.8	$ 10.6	$ 79.4	$ 2.2	$ -	$ -	$ 232.9	$ 151.3	$ 32.4	$ 586.2	3.7	8.9
AUGUST	32.4	575.8	72.8	648.6	0.8		-	219.9	(429.5)	32.4	156.7	3.7	8.9
SEPTEMBER	32.4	25.4	0.6	26.0	0.1		3.2	186.5	160.4	29.2	317.1	3.7	8.9
OCTOBER	29.2	79.0	10.6	89.6	0.1		3.2	187.3	97.6	26.0	414.7	3.5	8.8
NOVEMBER	26.0	430.4	42.0	472.4	-		3.2	187.5	(284.9)	22.8	129.8	3.5	8.8
DECEMBER	22.8	11.8	2.6	14.4	-		3.2	212.5	198.1	19.6	327.9	3.5	8.8
JANUARY 2014	19.6	76.2	7.6	83.8	-		3.2	240.9	157.1	16.4	485.0	3.4	8.6
FEBRUARY	16.4	292.8	29.6	322.4	-		3.2	213.9	(108.5)	13.2	376.5	3.4	8.6
MARCH	13.2	14.6	0.4	15.0	124.8		3.3	213.5	73.7	9.9	450.2	3.4	8.6
APRIL	9.9	88.2	9.2	97.4	41.7		3.3	209.3	70.2	6.6	520.4	3.4	8.4
MAY	6.6	1,189.6	136.2	1,325.8	36.6		3.3	190.5	(520.4)	654.8	-	3.4	8.4
JUNE	654.8	24.4	2.4	26.8	3.9	0.9	3.3	182.9		500.2	-	3.4	8.4
TOTAL	$32.4	$ 2,877.0	$ 324.6	$ 3,201.6	$ 210.2	$ 0.9	$ 32.4	$ 2,477.6	$ (434.9)	$ 500.2			

UNEMPLOYMENT COMPENSATION TRUST FUND ACCOUNT
CASH FLOW ANALYSIS
FY 2015
(in millions)

MONTH	BEG BLNCE	EMPLOYER CONT	WORKER CONT	TOTAL CONT	FUTA CR	INTEREST INCOME	BENEFITS	END BLNCE	IUR	TUR
JULY 2014	$500.2	$ 82.2	$ 11.0	$ 93.2	$ 3.3	$ -	$ 217.7	$ 379.0	3.3	8.2
AUGUST	379.0	687.6	75.6	763.2	1.2		196.3	947.1	3.3	8.2
SEPTEMBER	947.1	30.4	0.6	31.0		1.7	182.5	797.3	3.3	8.2
OCTOBER	797.3	74.6	11.0	85.6			185.1	697.8	3.3	8.0
NOVEMBER	697.8	405.8	43.8	449.6			176.5	970.9	3.3	8.0
DECEMBER	970.9	11.0	2.6	13.6		1.9	219.3	767.1	3.3	8.0
JANUARY 2015	767.1	71.8	8.0	79.8			227.7	619.2	3.2	7.8
FEBRUARY	619.2	276.0	30.8	306.8			211.3	714.7	3.2	7.8
MARCH	714.7	13.8	0.4	14.2		1.5	220.7	509.7	3.2	7.8
APRIL	509.7	83.6	9.6	93.2			200.5	402.4	3.1	7.6
MAY	402.4	1,126.6	142.2	1,268.8			174.3	1,496.9	3.1	7.6
JUNE	1,496.9	23.0	2.4	25.4		2.7	183.5	1,341.5	3.1	7.6
TOTAL	$500.2	$ 2,886.4	$ 338.0	$ 3,224.4	$ 4.5	$ 7.8	$ 2,395.4	$ 1,341.5		

FY 2016
(in millions)

MONTH	BEG BLNCE	EMPLOYER CONT	WORKER CONT	TOTAL CONT	INTEREST INCOME	BENEFITS	END BLNCE	IUR	TUR
JULY 2015	$1,341.5	$ 77.8	$ 11.4	$ 89.2	$ -	$ 214.7	$ 1,216.0	3.1	7.4
AUGUST	1,216.0	651.2	78.8	730.0		193.7	1,752.3	3.1	7.4
SEPTEMBER	1,752.3	28.8	0.6	29.4	4.0	180.1	1,605.6	3.1	7.4
OCTOBER	1,605.6	71.0	11.4	82.4		169.1	1,518.9	3.0	7.2
NOVEMBER	1,518.9	387.0	45.6	432.6		176.7	1,774.8	3.0	7.2
DECEMBER	1,774.8	10.6	2.8	13.4	4.3	209.3	1,583.2	3.0	7.2
JANUARY 2016	1,583.2	68.4	8.4	76.8		216.1	1,443.9	3.0	7.2
FEBRUARY	1,443.9	263.2	32.2	295.4		220.3	1,519.0	3.0	7.2
MARCH	1,519.0	13.2	0.4	13.6	3.8	229.3	1,307.1	3.0	7.2
APRIL	1,307.1	80.0	10.2	90.2		196.3	1,201.0	3.0	7.2
MAY	1,201.0	1,079.8	149.2	1,229.0		186.9	2,243.1	3.0	7.2
JUNE	2,243.1	22.0	2.6	24.6	5.0	188.1	2,084.6	3.0	7.2
TOTAL	$1,341.5	$ 2,753.0	$ 353.6	$ 3,106.6	$ 17.1	$ 2,380.6	$ 2,084.6		

UNEMPLOYMENT COMPENSATION FUND Schedule V

TOTAL CONTRIBUTIONS

TAX TABLES A - E +10%

FISCAL YEARS 2014 - 2016

(in millions)

TABLE	FY 2014	FY 2015	FY 2016
A	$ 1,807.9	$ 1,599.0	$ 1,670.4
B	2,071.1	1,968.7	2,056.6
C	2,317.7	2,315.3	2,418.7
D	2,501.8	2,574.0	2,688.9
E	2,672.0	2,813.1	2,942.3
E +10%	2,877.0	3,099.8	3,240.0

NOTE:
The revenue for July-September 2013 is calculated using Table E.

FY 2014 Response

Unemployment Compensation Auxiliary Fund Balances
(Accrual Basis)
(thousands of dollars)

	2012 Actual	2013 Estimated	2014 Estimated	2015 Estimated
Fund Balance July 1	$2,045	$4,226	$1,652	$1,278
Fund Balance June 30	$4,226	$1,652	$1,278	$904

Unemployment Compensation Auxiliary Fund Expenditures
(thousands of dollars)

	Actual FY 2012	Estimated FY 2013	Projected FY 2014	Projected FY 2015
Administration	$538	$538	$538	$538
Administration (language)	-	550	550	550
UC Earned Income Tax Credit Costs	-	150	150	150
UI Cost Sharing	-	2,500	2,500	2,500
DVR - DSS	2,446	2,446	2,446	2,446
Disadvantaged Youth Employment Opportunities Council	-	50	50	50
Board of Mediation	484	484	484	484
Council on Gender Parity	59	72	72	72
DVR - GIA	14,114	14,114	14,114	14,114
NJ Youth Corps	475	475	475	475
Total	$18,116	$21,379	$21,379	$21,379

NJ LWD
Shared Costs

Schedule VII

	100.00%	35.85%	17.90%	1.49%	55.24%	44.76%	
Joint Tax	**Total Costs**	**TDI**	**FLI**		**Subtotal**	**UI**	**Total**
FY 2010	21,038,871	7,542,435	3,765,958	313,479	11,621,872	9,416,999	21,038,871
FY 2011	21,553,890	7,727,070	3,858,147	321,153	11,906,370	9,647,520	21,553,890
FY 2012	21,786,078	7,810,309	3,899,709	324,613	12,034,630	9,751,448	21,786,078
FY 2013 (1)	21,776,909	7,807,022	3,898,067	324,476	12,029,565	9,747,344	21,776,909
FY 2014 (3)	21,800,000	7,815,300	3,902,200	324,820	12,042,320	9,757,680	21,800,000

	100.00%	35.76%	17.88%	1.54%	0.89%	0.06%	0.06%	56.19%	43.81%	
Division of Revenue	**Total Costs**	**TDI**	**FLI**	**WFD**	**Cat III**	**RTK**	**PP**	**Subtotal**	**UI**	**Total**
FY 2010	2,869,619	1,026,176	513,088	44,192	25,540	1,722	1,722	1,612,440	1,257,179	2,869,619
FY 2011	2,641,998	944,779	472,389	40,687	23,514	1,585	1,585	1,484,539	1,157,459	2,641,998
FY 2012	2,897,359	1,036,096	518,048	44,619	25,786	1,738	1,738	1,628,025	1,269,334	2,897,359
FY 2013 (2)	2,631,616	941,066	470,533	40,527	23,421	1,579	1,579	1,478,705	1,152,911	2,631,616
FY 2014 (3)	2,650,000	947,640	473,820	40,810	23,585	1,590	1,590	1,489,035	1,160,965	2,650,000

Total Shared Costs	**Total Costs**	**TDI**	**FLI**	**WFD**	**Cat III**	**RTK**	**PP**	**Subtotal**	**UI**	**Total**
FY 2010	23,908,490	8,568,611	4,279,046	357,671	25,540	1,722	1,722	13,234,312	10,674,178	23,908,490
FY 2011	24,195,888	8,671,849	4,330,536	361,840	23,514	1,585	1,585	13,390,909	10,804,979	24,195,888
FY 2012	24,683,437	8,846,405	4,417,757	369,232	25,786	1,738	1,738	13,662,655	11,020,782	24,683,437
FY 2013	24,408,525	8,748,088	4,368,600	365,003	23,421	1,579	1,579	13,508,270	10,900,255	24,408,525
FY 2014	24,450,000	8,762,940	4,376,020	365,630	23,585	1,590	1,590	13,531,355	10,918,645	24,450,000

(1) Joint tax for FY 2013 represents actual costs for July 2012 to January 2013 projected through June 2013.
(2) Division of Revenue for FY 2013 represents projections based on 6 months of actual costs.
(3) FY 2014 Shared Costs are based on FY 2013 projections.
(4) WDP includes costs allocated to SWAF.

Schedule VIII

Question a.

Regular UI Claim Denials	FY 2010	Fy2011	Fy 2012	FY 2013*
Simple Misconduct	31,640	25,694	24,138	14,339
Severe Miscondut	*	6,646	8,547	4,908
Gross Misconduct	1,723	1,649	1,633	949
Totals	33,363	33,989	34,318	20,196

* legislation became effective July 1, 2010.

Question b.

	FY 2010	FY 2011	FY 2012	FY 2013*
Appeals of Misconduct Claims	11,290	14,586	14,007	7,451

Historically, 75% of appeals are upheld or upheld with modification

Question c.

		FY2011	FY 2012	FY 2013*	Totals
Simple Misconduct Claims		25,694	24,138	14,339	64,171
Avg. Weekly Benefit Amount	$398.00				
Two week additional penalty	2				
Simple Misconduct Savings P/Claim	$796.00	$796.00	$796.00	$796.00	$796.00
Simple Miscondut Savings		20,452,424	19,213,848	11,413,844	51,080,116

		FY2011	FY 2012	FY 2013	Totals
Severe Misconduct Claims		6,646	8,547	4,908	20,101
Avg. Weekly Benefit Amount	$398.00				
Avg Claim Duration(Weeks)	19				
	$7,562.00	$7,562.00	$7,562.00	$7,562.00	$7,562.00
Estimated Unadjusted savings		$50,257,052.00	$64,632,414.00	$37,114,296.00	$152,003,762.00
Estimated 75 % who did not overcome with additional employment		75%	75%	75%	75%
Severe Misconduct - Estimated Saving		$37,692,789.00	$48,474,310.50	$27,835,722.00	$114,002,821.50
Estimated Total Savings Simple & Severe Misconduct		$58,145,213.00	$67,688,158.50	$39,249,566.00	$165,082,937.50

Schedule IX

Jobs4Jersey.com "OnRamp"
Through March 31, 2013

County/Location	Registrations
Atlantic	6,490
Bergen	13,402
Burlington	11,661
Camden	13,851
Cape May	1,964
Cumberland	3,633
Essex	17,799
Gloucester	5,569
Hudson	12,114
Hunterdon	2,252
Mercer	7,427
Middlesex	16,698
Monmouth	13,661
Morris	8,985
Ocean	12,471
Passaic	8,228
Salem	1,393
Somerset	5,548
Sussex	3,665
Union	11,526
Warren	2,801
Total in NJ	**181,138**
Out of State	14,693
Total	**195,831**

Note: The system does not track users who use the system to conduct job searches without registering

Report as of March 10, 2013

Current Jobs Posted within the last 60 days in NJ: 93,582

Current Jobs Posted within the last 60 days in NJ + 50 miles: 268,098

	Job Order Source			
Education Level	Spidered		One-Stop Office	
Associates Degree/Post Secondary	2.2	%	6	%
Bachelor's Degree	30.3	%	27.2	%
Doctoral Degree	5.5	%	0.6	%
High School Diploma/GED	16.8	%	37.7	%
Less Than High School			20.6	%
Masters Degree			7.4	%
Vocational Degree			0.5	%
Unknown	45.2	%		
Statewide	100	%	100	%

SECOND INJURY FUND
CASH FLOW INFORMATION
CALENDAR YEARS 2003 - 2014
(in millions)

Question

CY	BEG BLNCE	ASSMT	INTEREST INCOME	ADM EXP	BENEFITS	SUPP BENEFITS	LOAN TO UEF	TRF TO GEN FND	ADJ	TRF FR GEN FND	END BLNCE
2003	$ 37.9	$ 168.7	$ 0.7	$ 31.1	$ 104.2	$ 31.7	$ -	$ 20.0	$ -	$ -	$ 20.3
2004	20.3	169.6	0.3	22.0	108.6	30.4	0.5				28.7
2005	28.7	160.3	1.3	23.7	114.5	29.6	0.3				22.2
2006	22.2	154.9	1.7	15.8	121.8	28.9	(0.8)	5.0			8.1
2007	8.1	167.5	1.0	5.3	135.3	28.4			0.1		7.7
2008	7.7	182.5	0.3	23.5	137.2	27.1			4.8		7.5
2009	7.5	180.2	0.1	25.1	142.9	27.9					(8.1)
2010	(8.1)	167.9	-	23.6	147.9	28.4					(40.1)
2011	(40.1)	183.1	-	25.4	154.5	26.0				17.5	(45.4)
2012	(45.4)	220.9	-	33.0	156.4	26.0					(39.9)
2013 est	(39.9)	215.5	-	25.2	164.0	26.0					(39.6)
2014 est	(39.6)	226.4	-	26.0	171.0	26.0					(36.2)

NOTE:
The Compensation Rating and Inspection Bureau determines the yearly assessment rate.
The rate is multiplied by the Earned Modified Premium to determine the surcharge an employer
is charge for the Second Injury Fund.

ADMININISTRATIVE COSTS FOR SECOND INJURY FUND
CY 2003 - 2013

Minor Object Name	Minor Obj.	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Salaries	12	$ 11,237,664	$ 11,925,536	$ 11,249,776	$ 11,061,129	$ 11,964,813	$ 12,745,701	$ 12,040,479	$ 12,524,017	$ 11,788,239	$ 12,258,520	$ 12,476,915
Fringe Benefits	19	2,497,575	3,965,406	3,711,035	4,219,082	3,862,316	4,995,304	4,610,424	4,525,115	5,074,501	5,720,761	6,252,404
Total PS & PB		13,735,239	15,890,942	14,960,811	15,280,211	15,827,129	17,741,005	16,650,903	17,049,132	16,862,740	17,979,281	18,729,319
Supplies	21	33,066	43,790	57,695	23,114	150,744	21,166	43,890	24,558	121,032	116,192	109,735
Total Supplies												
Travel	30	36,920	6,050	26,268	21,815	21,744	13,227	32,220	23,932	22,866	23,843	24,587
Telephone	31	382,962	137,160	143,593	114,585	147,501	114,759	114,917	93,664	(221,315)	290,591	214,651
Postage	32	291,106	210,000	200,381	158,747	192,133	335,660	282,374	196,824	85,095	170,342	182,342
Software / Comp. Rental	34	247,054	34,624	158,403	78,346	89,934	142,670	111,722	441,345	485,930	676,390	198,177
Household & Security	35	124,970	85,548	122,899	178,607	136,821	252,206	313,629	386,764	405,833	422,629	492,832
Prof Services	36	69,312	16,724	199,327	255,339	91,535	26,685	135,512	53,179	8,198	868	874
Other	38	545,338	765,854	349,611	100,408	1,200,550	1,051,008	1,312,053	1,027,983	1,374,152	1,046,895	1,074,474
Office Info Technology	39	73,556	89,278	123,868	329,869	165,029	588,787	858,168	319,939	449,814	471,152	471,152
Total Services		1,771,218	1,345,238	1,324,350	1,237,715	2,045,247	2,525,002	3,160,595	2,543,630	2,610,573	3,102,710	2,659,089
Maint - Bldg Grounds	40	16,528	364	95	3,666	204	-	-	-	-	-	-
Maint - Equipment	41	17,354	11,970	13,102	5,392	8,305	17,349	7,885	30,783	10,324	2,566	7,822
Rent - Bldg Grounds	44	3,241,250	2,867,438	3,242,070	3,565,481	4,047,787	3,555,178	3,862,202	3,903,800	2,801,929	2,917,668	3,693,586
Rent - CMP	45	6,520	1,180	2,815	1,387	347	775	495	223	39	26	39
Rent - Other	47	14,904	10,828	13,590	15,618	15,564	17,472	18,741	15,907	15,875	22,626	15,554
Total Rental		3,296,556	2,891,780	3,271,672	3,591,544	4,072,207	3,590,774	3,889,323	3,950,713	2,828,167	2,942,886	3,717,001
Indirect Costs	5810	167,126	143,106	89,672	82,698	150,291	141,543	70,706	135,063	102,976	161,363	128,100
NPS - AS&T	5815	42,701	299,802	241,255	309,416	282,689	233,557	232,565	181,344	262,928	65,917	65,917
Total Indirects		209,826	442,908	330,927	392,114	432,980	375,100	303,271	316,407	365,904	227,280	194,017
Other Equipment	76	65,524	22,772	154,370	158,457	15,406	108,765	4,311	2,355	3,027	16,418	17,389
Info Proc Equipment	77	477,866	33,144	81,265	99,612	15,622	16,468	35,367	1,446	44,559	81,436	121,985
Total Equipment		543,390	55,916	235,635	258,069	31,028	125,233	39,678	3,801	47,586	97,854	139,374
Grand Total		$ 19,589,296	$ 20,670,574	$ 20,181,090	$ 20,782,767	$ 22,559,336	$ 24,378,279	$ 24,087,660	$ 23,888,241	$ 22,836,002	$ 24,466,203	$ 25,548,535

(1) 2003 to 2012 are actual. 2013 is estimated.

TEMPORARY DISABILITY INSURANCE FUND
CASH FLOW ANALYSIS
FY 2011
(in millions)

Question 14a1

MONTH	BEG BLNCE	E CONT	W CONT	CASH OVR TRF	NET CONT	ASSMTS	INT INC	ST PLAN BNFS	4F BNFS	DI ADM & GF	FLI ADM GF	FLI CONT	FLI BNF	END BLNCE
JULY 2010	$ 96.1	$ 13.3	$ 21.1		$ 34.4	$ 0.3	$ -	$ 37.4	$ 1.6			$ 10.2	$ 5.4	$ 96.6
AUGUST	96.6	47.4	67.1		114.5	19.7	0.1	40.4	1.9			22.6	5.6	205.6
SEPTEMBER	205.6	0.3	0.2		0.5	8.7	0.1	37.2	1.7			-	6.4	169.6
OCTOBER	169.6	7.9	12.9	$ 0.1	20.9	1.8	-	35.5	1.5	$ 19.0	$ 6.0	3.9	7.0	127.2
NOVEMBER	127.2	31.7	47.0	0.1	78.8	1.0	-	34.9	1.7	31.1	8.8	16.8	6.1	141.2
DECEMBER	141.2	-	(0.4)	0.4	-	-	-	34.0	1.7			-	6.7	98.8
JANUARY 2011	98.8	20.8	34.1	(0.4)	54.5	0.7	0.1	33.0	1.5			10.0	5.4	124.2
FEBRUARY	124.2	5.0	7.5	(0.1)	12.4	0.3	-	31.9	1.3			1.1	5.7	99.1
MARCH	99.1	1.5	0.6	0.1	2.2	0.2	-	36.0	1.7			-	7.1	56.7
APRIL	56.7	9.0	13.7		22.7	0.2	-	33.5	1.4			3.0	5.3	42.4
MAY	42.4	83.2	123.9		207.1	0.3	-	34.5	1.7			27.6	5.7	235.5
JUNE	235.5	0.2	(0.3)		(0.1)	0.1	-	34.3	1.6			-	7.0	192.6
TOTAL	$ 96.1	$ 220.3	$ 327.4	$ 0.2	$ 547.9	$ 33.3	$ 0.3	$ 422.6	$ 19.3	$ 50.1	$ 14.8	$ 95.2	$ 73.4	$ 192.6

FY 2012
(in millions)

MONTH	BEG BLNCE	E CONT	W CONT	CASH OVR TRF	NET CONT	ASSMTS	INT INC	ST PLAN BNFS	4F BNFS	DI ADM & GF	FLI ADM GF	FLI CONT	FLI BNF	END BLNCE
JULY 2011	$ 192.6	$ (1.1)	$ 0.9	$ 0.2	$ -	$ -	$ -	$ 35.2	$ 1.4	$ 38.0	$ -	$ -	$ 5.6	$ 112.4
AUGUST	112.4	49.4	70.2	0.1	119.7	4.9	0.1	40.3	1.8	(6.5)	6.5	6.6	5.8	195.8
SEPTEMBER	195.8	(0.2)	(0.7)	0.9	-	8.2		37.7	1.3			-	5.7	159.3
OCTOBER	159.3	18.7	32.7	(0.9)	50.5	10.5		33.0	2.0			4.0	8.1	181.2
NOVEMBER	181.2	22.9	32.8	-	55.7	1.2		35.6	1.4			4.5	6.5	199.1
DECEMBER	199.1	(0.1)	(0.5)	0.6	-	-		33.5	1.5	0.2		-	7.3	156.6
JANUARY 2012	156.6	23.2	38.3	(0.6)	60.9	0.8		34.2	1.3			4.8	5.9	181.7
FEBRUARY	181.7	1.6	2.4	0.1	4.1	0.2		34.1	1.3			1.0	6.2	145.4
MARCH	145.4	0.9	(1.1)	-	(0.2)	0.1		33.9	1.6			-	5.7	104.1
APRIL	104.1	12.2	1.6	-	13.8	0.2		34.6	1.5			10.0	6.7	85.3
MAY	85.3	74.2	42.8	0.1	117.1	0.4		37.2	1.5			24.5	6.5	182.1
JUNE	182.1	1.0	(0.1)		0.9	0.7		31.6	1.7	33.0		0.1	6.8	110.7
TOTAL	$ 192.6	$ 202.7	$ 219.3	$ 0.5	$ 422.5	$ 27.2	$ 0.1	$ 420.9	$ 18.3	$ 64.7	$ 6.5	$ 55.5	$ 76.8	$ 110.7

TEMPORARY DISABILITY INSURANCE FUND
CASH FLOW ANALYSIS
FY 2013
(in millions)

MONTH	BEG BLNCE	E CONT	W CONT	NET CONT	ASSMTS	INT INC	ST PLAN BNFS	4F BNFS	DI ADM GF	FLI ADM GF	Transfer FR GF	FLI CONT	FLI BNF	END BLNCE
JULY 2012	$ 110.7	$ 50.7	$ 31.4	$ 82.1	$ 0.2	$ 0.1	$ 36.2	$ 1.5	$ -	$ -	$ -	$ 21.4	$ 5.2	$ 171.6
AUGUST	171.6	8.7	3.9	12.6	8.7		40.3	1.4				-	5.8	145.4
SEPTEMBER	145.4	0.5	0.2	0.7	11.9		33.3	1.7	0.4	6.2		-	6.4	110.0
OCTOBER	110.0	4.6	3.8	8.4	3.9		36.4	1.7				0.3	7.8	76.7
NOVEMBER	76.7	34.5	20.4	54.9	0.7		34.3	1.5	4.0			11.0	6.6	96.9
DECEMBER	96.9	0.2	(0.6)	(0.4)	0.4		34.3	2.0				-	7.6	53.0
JANUARY 2013	53.0	24.8	15.1	39.9	0.5		36.8	1.4				7.7	6.4	56.5
FEBRUARY	56.5	1.8	1.9	3.7	0.3		31.3	1.3	(4.0)			1.0	6.1	26.8
MARCH	26.8	1.5	(0.3)	1.2	0.2		31.4	1.3			7.0	4.6	6.3	0.8
APRIL Estimated	0.8	12.6	3.0	15.6	0.2		35.6	1.5			10.0	8.7	6.9	(8.8)
MAY	(8.8)	76.7	79.7	156.4	0.2		38.3	1.5			(17.0)	8.4	6.7	92.6
JUNE	92.6	1.0	-	1.0	0.1		32.5	1.8	33.4	6.2		8.8	7.0	21.6
TOTAL	$ 110.7	$ 217.7	$ 158.4	$ 376.1	$ 27.3	$ 0.1	$ 420.8	$ 18.6	$ 33.8	$ 12.4	$ -	$ 71.9	$ 78.8	$ 21.6

Note - April 2013 forward is estimated data

FY 2014
(in millions)

MONTH	BEG BLNCE	EMPL CONT	WORKER CONT	NET CONT	ASSMTS	INT INC	ST PLAN BNFS	4F BNFS	ADMIN EXP	FLI ADM EXP	FLI CONT	FLI BNF	END BLNCE
JULY 2013	$ 21.6	$ 52.4	58.4	$ 110.9	$ 6.0	$ 0.1	$ 37.3	$ 1.5	$ -	$ -	$ 27.7	$ 5.4	$ 122.1
AUGUST	122.1	9.0	7.3	16.3	12.0	0.2	41.5	1.4			1.0	6.0	102.6
SEPTEMBER	102.6	0.5	0.4	0.9	4.0	-	34.3	1.8			1.0	6.6	65.8
OCTOBER	65.8	4.8	7.1	11.8	2.0	-	37.5	1.8			0.4	8.0	32.8
NOVEMBER	32.8	35.7	38.0	73.6	1.6	-	35.3	1.5			14.2	6.8	78.6
DECEMBER	78.6	0.2	0.1	0.3	0.6	-	35.3	2.1			-	7.8	34.2
JANUARY 2014	34.2	25.6	28.1	53.7	0.2	-	37.9	1.4			10.0	6.6	52.2
FEBRUARY	52.2	1.9	3.5	5.4	0.2	-	32.2	1.3			1.3	6.3	19.2
MARCH	19.2	2.6	0.1	2.7	0.2	-	32.3	1.3			5.9	6.5	(12.1)
APRIL	(12.1)	13.1	3.3	16.4	0.2	-	36.7	1.6			9.9	7.1	(31.0)
MAY	(31.0)	79.7	87.4	167.1	0.2	0.2	39.5	1.6			9.6	6.9	98.1
JUNE	98.1	1.1	0.1	1.2	0.2		33.5	1.8	34.0	6.5	10.0	7.2	26.5
TOTAL	$ 21.6	$ 226.6	$ 233.7	$ 460.3	$ 27.4	$ 0.5	$ 433.4	$ 19.2	$ 34.0	$ 6.5	$ 91.0	$ 81.2	$ 26.5

TEMPORARY DISABILITY INSURANCE – STATE PLAN
SUMMARY OF MORBIDITY DATA FOR COMPLETED CASES*
Calendar Year 2011

Major Morbidity Group (code)	Number of Cases	Percent of Cases	Average Duration (days)	Average Gross Benefits
Infectious and parasitic diseases (01)	1,305	1.30%	62	$3,756
Neoplasms (02)	8,153	8.1	81	4,969
Allergic, endocrine, metabolic and nutritional (03)	2,484	2.5	65	3,920
Diseases of blood and blood forming organs (04)	310	0.3	63	3,625
Mental, psychoneurotic and personality disorders (05)	6,450	6.4	82	5,076
Nervous system and sense organs (06)	3,508	3.5	68	4,173
Circulatory system (07)	6,307	6.2	81	4,930
Respiratory system (08)	2,716	2.7	42	2,505
Digestive system (09)	6,857	6.8	44	2,687
Genitourinary system (10)	2,939	2.9	47	2,725
Pregnancy and complications of childbirth (11)	23,749	23.5	68	3,908
Skin and cellular tissue (12)	1,161	1.1	50	2,980
Bones and organs of movement (13)	18,901	18.7	84	5,110
Congenital malformations (14)	80	0.1	84	5,041
Hysterectomy (15)	646	0.6	53	3,065
Accidents, poisoning and violence (17)	13,669	13.5	74	4,349
Other ill-defined and unknown causes (16 & 18)	1,830	1.8	54	3,202
Total	101,065	100.00%	71	$4,240

* Completed cases include those claims formally closed in the TDI database in 2011, as
Office of Research and Information April 2013

TEMPORARY DISABILITY INSURANCE – STATE PLAN
SUMMARY OF MORBIDITY DATA FOR COMPLETED CASES*
Calendar Year 2010

Major Morbidity Group (code)	Number of Cases	Percent of Cases	Average Duration (days)	Average Gross Benefits
Infectious and parasitic diseases (01)	1,384	1.30%	62	$3,716
Neoplasms (02)	8,325	8	80	4,850
Allergic, endocrine, metabolic and nutritional (03)	2,471	2.4	66	3,887
Diseases of blood and blood forming organs (04)	364	0.4	59	3,477
Mental, psychoneurotic and personality disorders (05)	6,616	6.4	82	5,027
Nervous system and sense organs (06)	3,633	3.5	69	4,138
Circulatory system (07)	6,990	6.7	80	4,766
Respiratory system (08)	2,728	2.6	43	2,505
Digestive system (09)	7,153	6.9	45	2,680
Genitourinary system (10)	3,214	3.1	46	2,683
Pregnancy and complications of childbirth (11)	23,952	23.1	68	3,916
Skin and cellular tissue (12)	1,247	1.2	45	2,762
Bones and organs of movement (13)	18,969	18.3	83	4,969
Congenital malformations (14)	69	0.1	91	5,336
Hysterectomy (15)	674	0.6	51	2,962
Accidents, poisoning and violence (17)	13,942	13.4	73	4,291
Other ill-defined and unknown causes (16 & 18)	2,130	2.1	53	3,075
Total	103,861	100.00%	71	$4,168

* Completed cases include those claims formally closed in the TDI database in 2010, as
Office of Research and Information April 2013

Schedule XIII

TEMPORARY DISABILITY INSURANCE FUND
FAMILY LEAVE ACCOUNT
CASH FLOW ANALYSIS
(in millions)

FISCAL YEAR 2013

MONTH	Beginning Balance	CONT	Benefits	ADMIN	ENDING Balance
JULY 2012	$ 16.9	$ 21.4	$ 5.2	$ -	$ 33.1
AUGUST	33.1	-	5.8		27.3
SEPTEMBER	27.3	-	6.4	6.2	14.8
OCTOBER	14.8	0.3	7.8		7.3
NOVEMBER	7.3	11.0	6.6		11.7
DECEMBER	11.7	-	7.6		4.1
JANUARY 2013	4.1	7.7	6.4		5.4
FEBRUARY	5.4	1.0	6.1		0.3
MARCH	0.3	4.6	6.3		(1.4)
APRIL (1)	(1.4)	8.7	6.9		0.4
MAY	0.4	8.4	6.7		2.1
JUNE	2.1	8.8	7.0	6.2	(2.3)
TOTAL	$ 16.9	$ 72.0	$ 78.8	$ 12.4	$ (2.3)

(1) March 2013 data actual, April 2013 and forward is estimated

FISCAL YEAR 2014

MONTH	Beginning Balance	CONT	Benefits	ADMIN	ENDING Balance
JULY 2013	$ (2.3)	$ 27.7	$ 5.4	$ -	$ 20.0
AUGUST	20.0	1.0	6.0		15.0
SEPTEMBEI	15.0	1.0	6.6		9.4
OCTOBER	9.4	0.4	8.0		1.8
NOVEMBER	1.8	14.2	6.8		9.2
DECEMBER	9.2	-	7.8		1.4
JANUARY 2(	1.4	10.0	6.6		4.8
FEBRUARY	4.8	1.3	6.3		(0.2)
MARCH	(0.2)	5.9	6.5		(0.8)
APRIL	(0.8)	9.9	7.1		2.0
MAY	2.0	9.6	6.9		4.7
JUNE	4.7	10.0	7.2	6.5	1.0
TOTAL	$ (2.3)	$ 91.0	$ 81.2	$ 6.5	$ 1.0

FISCAL YEAR 2015

MONTH	BEG Balance	CONT	Benefits	ADMIN	ENDING Balance
JULY 2014	$ 1.0	$ 31.6	$ 5.5	$ -	$ 27.1
AUGUST	27.1	1.1	6.2		22.0
SEPTEMBER	22.0	1.1	6.8		16.3
OCTOBER	16.3	0.4	8.3		8.4
NOVEMBER	8.4	16.2	7.0		17.6
DECEMBER	17.6	0.1	8.1		9.6
JANUARY 2015	9.6	11.4	6.8		14.2
FEBRUARY	14.2	1.5	6.5		9.2
MARCH	9.2	6.8	6.7		9.3
APRIL	9.3	10.3	7.3		12.3
MAY	12.3	10.0	7.1		15.2
JUNE	15.2	10.5	7.4	6.5	11.8
TOTAL	$ 1.0	$ 101.0	$ 83.7	$ 6.5	$ 11.8

Schedule XIV

FAMILY LEAVE INSURANCE – STATE PLAN
SUMMARY OF WORKLOAD ACTIVITY BY TYPE OF CLAIM
Calendar Year 2012

	Claims for Bonding			Claims for Care of Seriously Ill Family				
	Newborn	Adoption	Total Bonding Bonding	Child	Spouse	Other Family[1] Family	Total Care	Total All Claims
Original Determinations								
Eligible	24,292	135	24,427	1,301	1,603	2,322	5,226	29,653
Ineligible	2,110	31	2,141	349	334	759	1,442	3,583
Total	26,402	166	26,568	1,650	1,937	3,081	6,668	33,236
Redeterminations								
Eligible	772	11	783	172	166	307	645	1,428
Ineligible	130	1	131	14	18	26	58	189
Total	902	12	914	186	184	333	703	1,617
Total Eligible Claims[2]	24,934	145	25,079	1,459	1,751	2,603	5,813	30,892
Reconsiderations								
Eligible	5,106	25	5,131	1,103	1,099	1,634	3,836	8,967
Ineligible	136	2	138	49	36	113	198	336
Total	5,242	27	5,269	1,152	1,135	1,747	4,034	9,303
Number of First Payments	25,004	148	25,152	1,466	1,755	2,603	5,824	30,976
Number of Weeks Compensated	134,367	758	135,125	5,845	7,363	10,895	24,103	159,250
Number of Days Compensated	941,979	5,355	947,334	41,077	51,701	76,497	169,275	1,116,609
Gross Benefit Gross Benefit Payments (millions)	$66.20	$0.40	$66.70	$2.60	$3.30	$4.90	$10.80	$77.50
Average Weekly Benefit Amount (Gross Benefits/Weeks Compensated)	$493	$549	$493	$447	$451	$450	$450	$487
Average Daily Benefit Amount (Gross Benefits/Days Compensated)	$70	$78	$70	$64	$64	$64	$64	$69
Estimated Average Duration[3] (Weeks Compensated/Eligible Claims)	5.4	5.2	5.4	4	4.2	4.2	4.1	5.2

[1]Other family members include domestic partners, civil union partners and parents.

[2]Eligible claims are defined as eligible original determinations, plus eligible redeterminations, less ineligible redeterminations.

[3]Estimated average duration is calculated as weeks compensated divided by eligible claims; duration data may reflect claimants who are

Schedule XV

PROGRAM	FY12 (Served)	FY12 (Received Training)	Cost per Participant Served	FY 13 Projection (Served)	FY 13 Projection (Received Training)	Cost per Participant Served	FY 14 Projection (Served)	FY 14 Projection (Received Training)	Cost per Participant Served
Workforce Development Partnership	**56,005**	**53,279**		**74,162**	**73,624**		**52,495**	**49,857**	
Customized Training [1,2]	51,989	51,898	$347						
CT # when including CT-Literacy funds [3]	63,735	63,735	$355	71,902	71,902	$215	70,000	70,000	$215
Indv. Train.for DW (WDP-ITG) [4]	2,900	961	$3,850	1,365	1,365	$8,000	1,500	1,500	$7,000
YTTW	881	250	$5,120	660	187	$5,763	800	200	$5,000
SMART STEPS	235	170	$6,818	235	170	$6,818	235	170	$6,818
Workforce Investment Act (Total) [5,6]	**109,645**	**13,699**	**$739**	**130,100**	**14,129**	**$721**	**130,100**	**14,129**	**$721**
Adult	99,432	4,482	$129	118,000	4,600	$98	118,000	4,600	$98
Dislocated Workers	10,893	6,031	$1,601	9,644	6,000	$1,587	9,644	6,000	$1,587
Youth	5,277	3,187	$2,865	6,800	3,600	$2,052	6,800	3,600	$2,052
Work First New Jersey (Total)	**26,344**	**8,532**	**$3,034**	**23,850**	**7,678**	$3,265	**24,600**	**7,900**	$3,067
TANF	16,610	5,320	$3,470	15,797	5,148	$3,063	16,300	5,300	$2,879
General Assist/Food Stamps	9,734	3,212	$2,916	8,053	2,530	$3,663	8,300	2,600	$3,435
All Workforce Development Programs	**191,994**	**75,510**		**228,112**	**95,431**		**207,195**	**71,886**	

[1] Effective in FY13 the Customized Training program delivered grants with blended funding streams which include SWFBS-25% funds traditionally deployed seperately to employers

[2] The CT program numbers reflect actual projections for FY12 & FY13

[3] The revised deployment of the CT program as Skills4Jersey and Recovery4Jersey has decreased overall unit cost by over $125 per person making this the most cost effective training program in NJ

[4] The revised WDP-ITG fund effective in FY13 is now deployed as Opportunity4Jersey and soon to be announced "Recovery4Jersey-OJT" The numbers are estimated using $11 Mill maximum allocation for both programs

[5] WIA Adult figures Include Self-Service, J4J.com "OnRamp" services and in-person WIA funded services.

[6] WIA Cost per has decreased due to the success and high rate of self-serve and J4J.com "OnRamp"

	FY 2013	Y 2014 (est.)
WDP - Ind. Grants (DW)	$11,000,000	$8,000,000
WDP - Disadvantage-Smart Ste	$4,000,000	$5,000,000
WDP - Customized Training	$14,500,000	$13,000,000
WDP - OSHA	$2,000,000	$1,600,000
WDP - YTTW	$1,760,000	$2,000,000
WIA - Dislocated Worker	$30,891,644	$34,164,009
WIA - Adult	$20,260,335	$20,818,294
WIA - Youth	$20,322,861	$21,602,153
WFNJ - TANF	$48,392,000	$48,392,000
WFNJ - SNAP/GA	$29,500,000	$29,500,000
Total:	$182,626,840	$184,076,456

Schedule XVI

LWD WIA and Work First NJ
Summary of Allotment
SFY 2011 - 2014

Question 16c

Program	FY 2011	FY 2012	FY 2013	Estimated FY 2014	Total
WIA					
State Level Allotment	19,017,692	10,187,473	11,296,653	12,370,226	52,872,044
Local Level Allotment	55,726,274	62,556,646	60,178,187	64,214,232	242,675,339
	74,743,966	72,744,119	71,474,840	76,584,458	295,547,383
WFNJ					
State Level Allotment	23,211,658	23,390,887	25,673,520	25,673,520	97,949,585
Local Level Allotment	58,144,342	57,965,113	52,260,000	52,260,000	220,629,455
	81,356,000	81,356,000	77,933,520	77,933,520	318,579,040
Total Funding:	156,099,966	154,100,119	149,408,360	154,517,978	614,126,423

Schedule XVII

Workforce Development
Fund Analysis
Final FY 2012, Preliminary FY 2013 and FY 2014

	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**	**Comm. Dis.**
Fiscal Year 2012 Allocation								
Available Carryforward	$ 26,230,107	$ 463,210	$ 4,598,696	$ 5,332,526	$ 10,607,855	$ 1,284,717	$ 1,249,226	$ 2,693,877
Estimated Receipt	95,000,000	9,975,000	23,750,000	5,700,000	42,750,000	2,850,000	4,750,000	5,225,000
OMB Handbook Administration	7,827,000	4,465,899	1,022,923	-	1,605,157	671,428	61,593	-
Diversion for DVR	9,000,000	945,000	2,250,000	540,000	4,050,000	270,000	450,000	495,000
Allocation of Diversion	66,540,000	6,986,700	16,635,000	3,992,400	29,943,000	1,996,200	3,327,000	3,659,700
Balance	37,863,107	(1,959,389)	8,440,773	6,500,126	17,759,698	1,197,089	2,160,633	3,764,177
Administration Deficit		2,191,686	(605,563)	(145,309)	(1,089,925)	(72,764)	(121,200)	(156,925)
Available to Allocate:	37,863,107	232,297	7,835,210	6,354,817	16,669,773	1,124,325	2,039,433	3,607,252
Fiscal Year 2012-Final								
Total Fund Balance July 1, 2011	50,591,114	463,210	9,181,195	6,643,742	27,747,481	1,327,959	2,107,498	3,120,029
Revenue	101,131,140	10,618,770	25,282,785	6,067,868	45,509,013	3,033,934	5,056,557	5,562,213
Expenditures @ 6/30/12	34,379,007	3,606,524	5,347,437	3,976,810	18,978,615	383,442	1,613,619	472,560
Diversion for DVR	9,000,000	945,000	2,250,000	540,000	4,050,000	270,000	450,000	495,000
To Work and other Diversions	64,968,141	6,530,456	16,242,035	3,898,088	29,235,663	1,949,044	3,248,407	3,864,447
Fund Balance @ 6/30/12	43,375,106	(0)	10,624,508	4,296,712	20,992,216	1,759,407	1,852,029	3,850,235
Encumbrances @ 6/30/12	20,002,802	-	3,036,224	3,417,775	12,709,442	21,867	709,182	108,312
Undesignated Fund Balance	23,372,304	(0)	7,588,284	878,937	8,282,774	1,737,540	1,142,847	3,741,923
Fiscal Year 2013 Est. Allocation								
Available Carryforward	23,372,304	(0)	7,588,284	878,937	8,282,774	1,737,540	1,142,847	3,741,923
Estimated Receipts	95,000,000	9,975,000	23,750,000	5,700,000	42,750,000	2,850,000	4,750,000	5,225,000
Appropriated Transfers	7,905,000	4,543,899	1,022,923	-	1,605,157	671,428	61,593	-
Diversion for DVR	9,000,000	945,000	2,250,000	540,000	4,050,000	270,000	450,000	495,000
Allocation of Diversion	66,540,000	3,709,240	17,042,822	4,222,483	30,618,374	2,048,767	3,425,138	5,473,176
Available to Allocate:	34,927,304	776,861	11,022,539	1,816,454	14,759,243	1,597,345	1,956,116	2,998,747
Fiscal Year 2013 Est. Analysis								
Total Fund Balance July 1, 2012	43,375,107	(0)	10,624,508	4,296,712	20,992,216	1,759,407	1,852,029	3,850,235
Estimated Revenue	101,935,000	10,703,175	25,483,750	6,116,100	45,870,750	3,058,050	5,096,750	5,606,425
Projected Exp @ 6/30/13	21,045,437	3,531,142	2,895,059	1,085,570	11,479,774	599,296	981,192	473,404
Diversion for DVR	9,000,000	945,000	2,250,000	540,000	4,050,000	270,000	450,000	495,000
To Work and other Diversions	66,540,000	3,709,240	17,042,822	4,222,483	30,618,374	2,048,767	3,425,138	5,473,176
Projected Fund Balance @ 6/30/13	48,724,670	2,517,793	13,920,377	4,564,759	20,714,818	1,899,394	2,092,449	3,015,080
Projected Encumbrances @ 6/30/13	27,804,097	-	9,738,620	1,205,392	15,817,962	121,867	841,868	78,388
Projected Undesignated Fund Balance	20,920,573	2,517,793	4,181,757	3,359,367	4,896,856	1,777,527	1,250,581	2,936,692
Fiscal Year 2014 Est. Allocation								
Available Carryforward	20,920,572	2,517,793	4,181,757	3,359,367	4,896,856	1,777,527	1,250,581	2,936,692
Estimated Receipts	95,000,000	9,975,000	23,750,000	5,700,000	42,750,000	2,850,000	4,750,000	5,225,000
Appropriated Transfers	7,905,000	4,543,899	1,022,923	-	1,605,157	671,428	61,593	-
Diversion for DVR	9,000,000	945,000	2,250,000	540,000	4,050,000	270,000	450,000	495,000
Allocation of Diversion	66,540,000	6,986,700	16,635,000	3,992,400	29,943,000	1,996,200	3,327,000	3,659,700
Available to Allocate:	32,475,572	17,194	8,023,834	4,526,967	12,048,699	1,689,899	2,161,988	4,006,992
Fiscal Year 2014 Est. Analysis								
Total Fund Balance July 1, 2013	48,724,671	2,517,793	13,920,377	4,564,759	20,714,818	1,899,394	2,092,449	3,015,080
Estimated Revenue	105,065,000	11,031,825	26,266,250	6,303,900	47,279,250	3,151,950	5,253,250	5,778,575
Projected Exp @ 6/30/14	36,324,604	3,786,850	5,614,809	4,175,651	19,927,546	629,261	1,694,300	496,188
Diversion for DVR	9,000,000	945,000	2,250,000	540,000	4,050,000	270,000	450,000	495,000
To Work and other Diversions	66,540,000	6,986,700	16,635,000	3,992,400	29,943,000	1,996,200	3,327,000	3,659,700
Projected Fund Balance @ 6/30/14	41,925,067	1,831,068	15,686,818	2,160,609	14,073,522	2,155,883	1,874,399	4,142,767
Projected Encumbrances @ 6/30/14	30,099,000	-	10,226,000	950,000	13,000,000	1,023,000	900,000	4,000,000
Projected Undesignated Fund Balance	$ 11,826,067	$ 1,831,068	$ 5,460,818	$ 1,210,609	$ 1,073,522	$ 1,132,883	$ 974,399	$ 142,767

Supplemental Workforce - Literacy Fund
Fund Analysis
Final FY 2012, Preliminary FY2013 and 2014

Fiscal Year 2012 Allocation	Total	10.00% Admin	24.00% One Stop	28.00% WIB	25.00% Employers	13.00% NJCC
Available Carryforward @ 7/1/11	$ 11,377,853	$ 1,122,770	$ 1,628,157	$ 2,783,716	$ 5,275,880	$ 567,330
Estimated Receipt	25,000,000	2,500,000	6,000,000	7,000,000	6,250,000	3,250,000
OMB Handbook Administration	(2,000,000)	(1,000,000)	(1,000,000)	0	0	0
Allocation Diversion for Comm. Colleges	(16,300,000)	(1,630,000)	(3,912,000)	(4,564,000)	(4,075,000)	(2,119,000)
Youth Corps	(2,200,000)	(220,000)	(528,000)	(616,000)	(550,000)	(286,000)
Available to Allocate:	15,877,853	772,770	2,188,157	4,603,716	6,900,880	1,412,330
Fiscal Year 2012-Final						
Total Fund Balance @ July 1, 2011	14,018,634	1,122,770	1,670,086	3,292,526	7,365,922	567,330
Revenue	28,359,509	2,835,951	6,806,282	7,940,663	7,089,877	3,686,736
Expenditures @ 6/30/12	8,808,927	720,511	2,351,909	2,469,116	1,935,002	1,332,390
Youth Corp Diversion Exp@ 6/30/12	2,229,574	222,957	535,098	624,281	557,394	289,845
Comm College Diversion Exp @ 6/30/12	16,300,000	1,630,000	3,912,000	4,564,000	4,075,000	2,119,000
Fund Balance June 30, 2012	15,039,642	1,385,252	1,677,362	3,575,792	7,888,404	512,832
Encumbrances 6/30/12	5,177,148	0	0	1,401,350	3,775,798	0
Undesignated Fund Balance @ 6/30/12	9,862,494	1,385,252	1,677,362	2,174,442	4,112,606	512,832

Fiscal Year 2013 Projected Allocation	Total	10.00% Admin	24.00% One Stop	28.00% WIB	25.00% Employers	13.00% NJCC
Available Carryforward @ 7/1/12	9,862,494	1,385,252	1,677,362	2,174,442	4,112,606	512,832
Estimated Receipt	25,000,000	2,500,000	6,000,000	7,000,000	6,250,000	3,250,000
OMB Handbook Administration	(2,000,000)	(1,000,000)	(1,000,000)	-	-	-
Allocation Diversion for Comm. Colleges	(21,300,000)	(2,130,000)	(5,112,000)	(5,964,000)	(5,325,000)	(2,769,000)
Youth Corps	(2,200,000)	(220,000)	(528,000)	(616,000)	(550,000)	(286,000)
Available to Allocate:	9,362,494	535,252	1,037,362	2,594,442	4,487,606	707,832
Fiscal Year 2013 Projected Analysis						
Total Fund Balance @ July 1, 2012	15,039,642	1,385,252	1,677,362	3,575,792	7,888,404	512,832
Anticipated Revenue	28,712,000	2,871,200	6,890,880	8,039,360	7,178,000	3,732,560
Projected Expenditures @ 6/30/13	8,843,122	754,496	1,665,763	2,831,451	3,461,933	129,480
Projected Youth Corp Diversion Exp@ 6/30/13	2,200,000	220,000	528,000	616,000	550,000	286,000
Projected Comm College Diversion Exp @ 6/30/13	21,300,000	2,130,000	5,112,000	5,964,000	5,325,000	2,769,000
Projected Fund Balance June 30, 2013	11,408,519	1,151,956	1,262,479	2,203,701	5,729,472	1,060,912
Projected Encumbrances 6/30/13	6,835,420	-	437,253	1,026,240	4,934,047	437,880
Projected Undesignated Fund Balance @ 6/30/13	4,573,100	1,151,956	825,226	1,177,461	795,425	623,032

Fiscal Year 2014 Projected Allocation	Total	Admin	One Stop	WIB	Employers	NJCC
Available Carryforward @ 7/1/13	4,573,100	1,151,956	825,226	1,177,461	795,425	623,032
Estimated Receipt	25,000,000	2,500,000	6,000,000	7,000,000	6,250,000	3,250,000
OMB Handbook Administration	(2,000,000)	(1,000,000)	(1,000,000)	-	-	-
Allocation Diversion for Comm. Colleges	(18,800,000)	(1,880,000)	(4,512,000)	(5,264,000)	(4,700,000)	(2,444,000)
Youth Corps	(2,200,000)	(220,000)	(528,000)	(616,000)	(550,000)	(286,000)
Available to Allocate:	6,573,100	551,956	785,226	2,297,461	1,795,425	1,143,032
Fiscal Year 2014 Projected Analysis						
Total Fund Balance @ July 1, 2013	11,408,519	1,151,956	1,262,479	2,203,701	5,729,472	1,060,912
Anticipated Revenue	29,912,000	2,991,200	7,178,880	8,375,360	7,478,000	3,888,560
Projected Expenditures @ 6/30/14	9,299,374	806,537	2,469,504	2,592,572	2,031,752	1,399,010
Projected Youth Corp Diversion Exp@ 6/30/14	2,200,000	220,000	528,000	616,000	550,000	286,000
Projected Comm College Diversion Exp @ 6/30/14	18,800,000	1,880,000	4,512,000	5,264,000	4,700,000	2,444,000
Projected Fund Balance June 30, 2014	11,021,146	1,236,620	931,855	2,106,489	5,925,720	820,462
Projected Encumbrances 6/30/14	7,220,000	0	460,000	1,100,000	5,200,000	460,000
Projected Undesignated Fund Balance @ 6/30/14	$ 3,801,146	$ 1,236,620	$ 471,855	$ 1,006,489	$ 725,720	$ 360,462

Workforce Investment Act Schedule XIX

Funding Allocated to State and Local Recipients

LOCAL AREA	ADULT PY 2011	ADULT PY 2012	ADULT PY 2013	YOUTH PY 2011	YOUTH PY 2012	YOUTH PY 2013	DISLOCATED WORKER PY 2011	DISLOCATED WORKER PY 2012	DISLOCATED WORKER PY 2013	TOTALS
Atlantic	$ 1,154,616	$ 1,070,019	$ 1,029,052	$ 1,196,819	$ 1,101,105	$ 1,098,079	$ 1,042,911	$ 1,098,544	$ 1,150,975	$ 9,942,120
Cape May	689,386	642,136	615,986	676,519	626,076	622,454	318,008	311,682	371,704	4,873,951
(Atlantic/Cape May)	*1,844,002*	*1,712,155*	*1,645,038*	*1,873,338*	*1,727,181*	*1,720,533*	*1,360,919*	*1,410,226*	*1,522,679*	*14,816,071*
Bergen	982,549	1,121,824	1,254,775	916,571	1,048,754	1,207,595	1,945,280	1,845,536	2,035,851	12,358,735
Burlington	528,194	623,172	720,877	532,670	623,533	744,887	1,158,250	1,117,047	1,254,562	7,303,192
Camden	1,386,642	1,298,367	1,292,597	1,368,151	1,266,442	1,312,766	1,448,107	1,398,732	1,525,618	12,297,422
Cumberland	953,532	895,467	855,519	906,683	846,899	837,961	640,881	604,410	658,665	7,200,017
Salem	187,747	172,225	166,479	187,349	170,710	171,101	190,271	186,251	215,801	1,647,934
(Cumberland/Salem)	*1,141,279*	*1,067,692*	*1,021,998*	*1,094,032*	*1,017,609*	*1,009,062*	*831,152*	*790,661*	*874,466*	*8,847,951*
Essex	895,037	936,391	968,548	891,508	927,254	980,425	1,148,855	1,202,946	1,284,884	9,235,848
Gloucester	454,965	491,596	529,967	521,754	556,049	600,174	756,351	722,575	784,789	5,418,220
Somerset	265,338	312,495	363,345	241,426	287,752	355,051	755,921	680,650	829,717	4,091,695
Hunterdon	114,987	132,060	158,792	109,118	125,335	155,437	317,703	269,988	272,883	1,656,303
(Greater Raritan)	*380,325*	*444,555*	*522,137*	*350,544*	*413,087*	*510,488*	*1,073,624*	*950,638*	*1,102,600*	*5,747,998*
Hudson	984,926	980,183	988,027	899,364	887,760	943,398	889,042	829,710	938,906	8,341,316
Jersey City	1,062,824	997,145	953,115	1,079,636	1,005,820	996,550	525,184	498,299	564,888	7,683,461
Mercer	674,750	677,666	694,326	927,743	925,312	885,495	1,290,527	818,577	933,657	7,828,053
Middlesex	1,084,343	1,196,366	1,305,211	1,265,480	1,389,265	1,582,087	2,265,309	2,054,281	2,216,243	14,358,585
Monmouth	814,544	895,182	1,001,867	791,538	866,544	996,505	1,788,454	1,304,630	1,492,597	9,951,861
Morris	448,269	502,047	565,709	477,239	529,194	647,805	1,788,852	1,096,441	1,216,186	7,271,742
Sussex	171,449	205,862	235,175	165,109	197,474	235,598	352,799	335,867	365,503	2,264,836
Warren	138,661	155,256	166,386	141,271	157,636	177,299	429,757	362,160	373,617	2,102,043
(Mor/Sus/Warren)	*758,379*	*863,165*	*967,270*	*783,619*	*884,304*	*1,060,702*	*2,571,408*	*1,794,468*	*1,955,306*	*11,638,621*
Newark	2,274,705	2,131,383	2,038,573	2,249,392	2,087,149	2,072,247	809,367	834,299	867,454	15,364,569
Ocean	827,355	900,984	1,007,970	753,381	822,250	970,888	1,182,235	1,178,584	1,315,480	8,959,127
Passaic	1,947,883	1,799,182	1,733,169	1,978,218	1,817,131	1,813,634	1,595,458	1,480,768	1,722,073	15,887,516
Union	1,128,513	1,110,311	1,131,913	1,067,746	1,041,274	1,114,609	1,401,225	1,392,174	1,522,756	10,910,521
Total WIB Level:	19,171,214	19,247,319	19,777,378	19,344,685	19,306,718	20,522,045	24,040,747	21,624,151	23,914,809	186,949,067
State Level:	1,009,011	1,013,016	1,040,915	1,018,141	1,016,143	1,080,108	8,160,320	9,267,493	10,249,204	33,854,350
Total WIA:	$ 20,180,225	$ 20,260,335	$ 20,818,293	$ 20,362,826	$ 20,322,861	$ 21,602,153	$ 32,201,067	$ 30,891,644	$ 34,164,013	$ 220,803,417

Schedule XX

NJ BUILD PROGRAM

Revenues Collected

Agencies that provided funds	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual and Estimated FY 2013	Estimated FY 2014
Dept of the Treasury	$ 149,294	$ 143,171	$ 108,379	$ 278,516	$ 43,888	
Dept of Transportation	996,976	1,565,756	1,345,105	937,623	509,726	
NJ Transit	136,537	76,317	201,839	136,932	9,998	
Casino Rdvlpt. Authority	12,570		239,277			
NJ Turnpike		1,226,296	4,744,132	3,447,530	2,809,629	
Others			40,150	157,446	7,157	
Anticipated Revenues					250,000	3,500,000
Total Revenues	$ 1,295,377	$ 3,011,540	$ 6,678,883	$ 4,958,047	$ 3,630,398	$ 3,500,000

Expenditures

	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual and Estimated FY 2013	Estimated FY 2014
Salaries and other costs	$ 34,287	$ 24,797	$ 90,727	$ 166,460	$ 169,954	$ 675,000
Training Grants (Expended/Obligated)	88,972	353,442	655,258	1,064,550	1,095,435	5,000,000
Total Expenditures	$ 123,260	$ 378,240	$ 745,985	$ 1,231,010	$ 1,265,389	$ 5,675,000
Amount Lapsed to General Revenue		$ 1,500,000	$ 5,000,000	$ 6,000,000 *	$ 1,005,000	TBD
Amount carried forward to next FY	$ 1,172,117	$ 2,305,417	$ 3,238,315	$ 965,352 *	$ 2,325,361	$ 150,361

* FY 13 lapse to general revenue is anticipated to be $1.1 million, Amount carried forward to FY 2014 is estimated to be about $2.4 million.