

Assemblyman Singleton:

- The New Jersey Builders Utilization Initiative for Labor Diversity (NJBUILD) is one of several State programs for training women and minorities in the construction trades administered by the New Jersey Department of Labor and Workforce Development. How many individuals are currently receiving training through the NJBUILD program?

Response:

We provided training for 195 participants in FY 2014 and we expect to train 288 participants in FY 2015.

Assemblyman Schaer:

- There are still significant vacancies on the Workers' Compensation Bench, how many judges do you believe are sufficient for the courts to capably perform their duties?

Response:

The current judicial complement is 40 full time judges including the Director of the Division of Workers Compensation. As Commissioner Wirths indicated at the Assembly Budget Committee hearing on April 27, a judicial complement of 45 judges should be sufficient.

- What is the statutory requirement for the placement of the Workers' Compensation Courts?

Response:

N.J.S.A. 34:15-53 provides:

The [workers' compensation] petition shall be heard either in the county in which the injury occurred or in which the petitioner or respondent resides, or in which the respondent's place of business is located, or in which the respondent may be served with process.

However, the NJ Superior Court (see 226 N.J. Super. 387) has interpreted *N.J.S.A. 34:15:53* as follows:

N.J.S.A. 34:15-53 mandates a right to a workers' compensation hearing in each county under the circumstance that all the criteria for venue fit that county only; but *N.J.S.A. 34:15-53* does not mandate that a permanent workers' compensation court be established in each county.

- What is the current financial state of the Second Injury Fund? Where do those monies come from? What is the money in the Second Injury Fund used for?

Response

Revenue for the Second Injury Fund is provided through an assessment on worker's compensation insurance for both self insured and privately insured employers. The assessments are used to fund the administrative costs of the Division of Workers Compensation (including the Office of Special Compensation), and the payment of second injury benefits to those eligible individuals that are adjudicated as being totally and permanently disabled. We anticipate that the Second Injury fund will have sufficient funds for FY 2015.

- The Appropriation Act for FY2015 provided a \$5 million addition for services that can be funded only by state dollars; \$1.25 million was added to Long Term Follow Along leaving \$3.75 million for Extended Employment (EE). Why was this not contracted to providers as Extended Employment (EE) slots as intended? Why was it offered as an optional contract for supported employment, services for which there are ample federal dollars to fund?

Response

See consolidated response below.

- Why did the Department reverse the plan developed in August by LWD staff with provider input as required by the FY15 Appropriation Act for specific slot value funding? Providers had also agreed to provide documentation of activities routinely done with DVRS EE consumers which would qualify to match federal funding received by LWD and to expand those activities with the additional slot funding.

Response

See consolidated response below.

- Why was no contract for the \$3.75 million offered to providers until January of this year, the 7th month of this fiscal year? Contracts for the previously agreed upon slot value increase were prepared in September, 2014.

Response:

1. An increase in funding in FY 2012 of \$6 million for Sheltered Workshops, Long Term Follow Along and Extended Employment Transportation restored funding to appropriate levels after reductions in previous years. A total of \$3.5 million of the funding was used to increase the slot values of sheltered workshop participants.

2. The 2015 budget included an additional increase in funding of \$5 million for Sheltered Workshops, Long Term Follow Along and Extended Employment Transportation.

3. The Department implemented this increase in funding by:

- Allocating \$1.25 million to long term follow along services, increasing the number of hours of service for each slot;

- Allocating \$3.6 million to the sheltered workshops to expand their services to assist sheltered workshop participants to transition to competitive, integrated employment.

4. This original allocation decision about the sheltered workshop funding was made for the following reasons:

A. Sheltered Workshop participants earn on average \$3 per hour, well below the State's minimum wage. In the last year, the department placed a record 4,339 people into competitive employment making on average about \$12 per hour. The \$3.6 million provided to the sheltered workshop providers was originally intended to expand their service offerings to assist participants to transition to this type of competitive integrated employment.

B. The use of state funds for employment services would have allowed the LWD to leverage an additional \$13 million in federal funding through the Vocational Rehabilitation (VR) Services program. Traditional sheltered workshop activities cannot be used as federal match for the VR program.

5. Following issuance of contracts to the sheltered workshops, multiple members of the Legislature contacted the Department and asked that the additional \$3.6 million in sheltered workshop funding be distributed in a manner that would provide as much flexibility to the organizations as possible in the spending of the funds.

6. In response to this clarification of the Legislature's intent, the Department reissued contracts to the sheltered workshops. These new contracts require the sheltered workshop providers to report to the Department on how the additional funds were used to expand or enhance services to sheltered workshop participants. The new contracts do not require the sheltered workshops to provide any specific services, they do not include an increase in the slot values and will not leverage any additional federal funding. The new contracts could jeopardize the LWD's ability to match \$13 million in federal funds.