



**STATE OF NEW JERSEY**  
**DEPARTMENT OF LABOR AND WORKFORCE DEVELOPMENT**

Fiscal Year 2018

New Jersey Senate Budget Committee, Budget Testimony

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Development

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Good afternoon Chairman Sarlo, Vice-Chairman Stack and honored members of  
the Committee.

Thank you for this opportunity to discuss Governor Christie's 2018 fiscal year  
budget request for the Department of Labor and Workforce Development. I look  
forward to sharing with all of you the exciting successes we have achieved over  
the past seven years through bipartisan efforts working with the Governor and  
the state Legislature.

Allow me to begin by introducing some of the executive staff members sitting at  
the table with me today – just a few of the many hardworking and talented  
people in my department who are responsible for these accomplishments, some  
of which I will outline shortly.

With me today are

- Catherine Starghill, Deputy Commissioner
- Bob Voorhees, Assistant Commissioner of Finance
- Patricia Moran, Assistant Commissioner of Workforce Development

Seated behind me are members of my senior staff who continue to help in our daily efforts to provide employment services and career pathway opportunities to the residents of New Jersey.

## **Where We've Been**

When Governor Christie came into office, the unemployment rate was nearly 10 percent, we had nearly half a million people on the unemployment insurance rolls and the UI Trust Fund was broken.

As of this month, New Jersey currently has more people employed in the state than at any other time in our history.

We've had seven consecutive years of private sector job growth. The unemployment rate has been cut in more than half down to 4.2 percent – the lowest it has been in ten years and below the national rate. Since February 2010, the low point for private-sector employment during the most recent recession, private-sector employment in the Garden State has increased by 306,500 jobs. New Jersey's economy is the strongest it has been since 2000.

Through major reforms and aggressive anti-fraud measures, we stopped more than \$1 billion from leaving the UI Trust Fund improperly and returned the fund to solvency two years ahead of schedule – halting a \$213 million tax hike in 2014 and triggering a \$380 million tax cut for employers last year. Today, the Trust Fund has a healthy \$1.6 billion balance, and we expect that number to increase significantly with next week's update.

We are extremely proud of all we have accomplished in the past seven years.

Our department is committed to provide income security to people in times of need, enforce the state's workplace standards laws, help individuals find jobs and careers, and assist businesses train and expand their workforces.

All of these responsibilities are important. And many New Jersey residents and businesses rely on the services of our department.

## **Where We Are Going**

I'd like to use my time with this committee today to discuss our department's efforts to ensure that our state has a skilled workforce that can continue to propel economic growth and that more of our residents can pursue career pathways that lead to economic opportunity.

We know that New Jersey's economic future depends on a competitive, innovative and highly-skilled workforce. Businesses are increasingly requiring that employees have a post-secondary credential or degree. However, 52% of the state's adult population has earned such a degree or credential. As a result, New Jersey, in resolutions passed by the State Employment and Training Commission and the Governor's Higher Education Council, has set a goal that 65 percent of the State's adult population will have earned an industry-valued credential or degree by 2025.

This effort has three components.

### **1. Career Guidance**

First, in this rapidly changing labor market, all New Jersey residents need high quality information and assistance to guide their career decisions. We have launched the New Jersey Career Connections initiative to ensure that all New Jersey residents have access to unified, high-quality career guidance, planning resources, and job search assistance regardless of location.

Our department consulted with a variety of stakeholders from government, educational institutions and community- and faith-based organizations to create a unified approach to career navigation.

Last summer, we launched a new website, [CareerConnections.nj.gov](http://CareerConnections.nj.gov), which serves as the cornerstone of this initiative.

But Career Connections is so much more than just a website.

Through new partnerships with libraries and community colleges, Career Connections nearly triples the number of locations where New Jerseyans can access high-quality and consistent career advice.

A year ago, we provided \$1.4 million in competitive grants to 18 local libraries and to the State Library to expand career services across the state. We have provided training to library staff. This year, we will continue this successful program with a \$1.5 million investment.

On March 20, Governor Christie joined us in welcoming New Jersey's 19 community colleges into the Career Connections network with a Declaration of Commitment signing ceremony at Raritan Valley Community College.

We are extremely proud of our partnership with the community colleges and excited that New Jerseyans can now access Career Connections services at all 19 community colleges throughout the state. Now, whether a job seeker visits a One-Stop Career Center, a community college, or one of our partner library locations, they will receive the same reliable career advice.

## 2. Employer Engagement

Second, for the past seven years, our department has worked closely with employers across the state to ensure that investments in education and training programs are aligned with the needs of the business community.

In 2011, we created Talent Networks around the seven key industry clusters that employ more than two-thirds of the workers in New Jersey and pay more than two-thirds of the annual wages. Talent Networks engage industry employers to

pinpoint the relevant skills that jobseekers need to get jobs in those major industry clusters and link employers with the state's educational institutions, employee training providers, state officials and jobseekers.

In October, we released our first-ever Industry-Valued Credentials List to help students and job seekers identify the skills and credentials most in-demand in New Jersey. Our labor market analysts worked closely with employers, educators and workforce development professionals to compile the list of 198 credentials and degrees. We have committed to using this list to direct occupational training dollars toward the most effective workforce and education programs. The list also serves as a consumer protection tool for individuals in search of high-quality occupational training, ensuring that the credential they are seeking is valid and recommended by knowledgeable employers, educators and workforce professionals.

Our department also offers a variety of resources to help businesses with all of their workforce development needs. Our business representatives work with employers to find qualified talent and to identify appropriate hiring and training incentives.

For example, our Skills Partnership Grant program provides dollar-for-dollar matching grants to employers to upgrade the skills of their workers. This fiscal year, we have awarded 174 grants in the amount of \$10.7 million to train 51,000 workers. These customized training grants assist New Jersey businesses in giving their employees up-to-date skills to help workers advance in their careers while also assisting New Jersey companies to remain competitive in the global economy.

To continue this commitment to engaging employers, tomorrow we will announce the launch of the Many Paths, One Future Internship program that will assist employers to increase the number of paid interns at the college and high school level. We expect that this investment of \$1.5 million will assist 1,000 students to obtain valuable work experience that complements their education

and helps prepare them for a career. We know that individuals who gain work experience while attending school have proven successes in the workforce and we want to support the programs that afford our citizens those opportunities.

### 3. Career Pathways

Third, we are committed to expanding and building career pathways that lead to an industry-valued credential or degree and to a career.

Last spring, we built on the success of the Talent Networks with the launch of three Talent Development Centers at institutions of higher education to provide workforce training and skill development focused on three of the state's most critical industry sectors: advanced manufacturing at Camden County College, health care at Rutgers University, and transportation, logistics and distribution at Union County College. These centers are serving as anchors for expanded high-quality, employer-driven partnerships and will further build the capacity of the state's higher education institutions to provide education and training aligned with the needs of the state's growing industries.

The Talent Development Centers have trained 1600 people and formed strong partnerships with approximately 200 employers. More importantly they are increasing the capacity of our states colleges and universities to prepare individuals for jobs in our key industry sectors.

This year, we are expanding the number of Talent Development Centers from three to five, with the addition on Centers focused on construction / utilities and retail, hospitality and tourism.

With these and many other efforts, we are strengthening career guidance, expanding employer engagement and building new career pathways.

All of these efforts have real and tangible benefits to our state.

In the past few weeks, I have had the opportunity to meet many individuals who have benefited from these and other efforts, and I'd like to share three of their stories to put a face to all of the great work of the department.

Last week, I met Anthony a participant in our department's Camden Corps Plus program. This program is a partnership with both the city and county of Camden, as well as Camden County College, Rutgers, and the Center for Family Services. Anthony dropped out of high school at young age and this year enrolled in this year-long pilot program. He is now receiving basic skills training and is on his way to earning a high school equivalency diploma. He is also receiving work sampling experience by working with the Camden Corps Plus program and has performed community service, to earn a small stipend and to learn valuable work skills. His mentor has played an important role in helping him stay on a path to a career.

I also recently met Kathy, an employee of Zodiac Aerospace in Wall Township. I met her at an event to recognize a significant milestone for the Basic Skills Program, a partnership between the NJ Business and Industry Association and the New Jersey Community College Consortium for Workforce and Economic Development. More than 113,000 individuals have received training through the program in the past ten years. Kathy started working at Zodiac in an entry level manufacturing position. She received basic skills training funded through the program and was inspired to continue her education at Brookdale Community College. She earned an associate degree and is now working at Zodiac as a draftsman, helping to turn engineering plans into instructions for the manufacturing of floatation devices and emergency landing slides for airplanes.

I met Talia, an Army veteran from Secaucus, is participating in our "Helmets to Hardhats" program, administered by the New Jersey Construction and Building Trades Council and supported by the department's NJ Build program. I met Talia at an event at the Ironworkers Training Center in Springfield where we were announcing a continuation grant of \$250,000 to support the program for another year. After spending eight years serving our country, Talia is now on a path to becoming a welder through a union apprenticeship program. She will play an

important role in New Jersey's future growth. Talia is one of the more than 800 people who have gone through the program in the past decade.

Talia, Kathy and Anthony are on different paths to a brighter future. Each represent the important role that employers, community colleges, community and faith based organizations, labor unions and workforce programs play in building many paths.

I want to thank you all for inviting me here today to have this opportunity to share all of the wonderful work that is being done by the Department of Labor and Workforce Development. It is a tremendous honor to work day in and day out in an effort to better the economic health of New Jersey and serve its people.

I look forward to addressing your questions.