

Discussion Points

HURRICANE SANDY

1a. Hurricane Sandy made landfall in New Jersey as a Tropical Storm on October 29, 2012 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. The Department of Labor and Workforce Development (DLWD) responded immediately by: redeploying unemployment insurance (UI) staff; extending UI call center hours; expanding out of network usage of ATM machines for UI claimant benefits; facilitating disaster unemployment assistance (DUA) claims and applying for and securing a \$15.6 million National Emergency Grants (NEG) to fund a plan to hire residents to assist with clean-up and recovery efforts in the State.

In response to the OLS Discussion Points during the FY 2014 budget process, the department stated that it had reassigned 51 staff and rehired three experienced retired staff to ensure that all DUA claims had been resolved. Additionally, the department had received \$15.59 million in NEG grants. These funds were provided to 12 Local Workforce Investment Boards and 2 State agencies to hire 734 temporary workers to perform recovery efforts, such as: laborers to remove storm related debris from roadways, parks and beaches; workers to deploy shelter supplies; clerks to facilitate documentation and payroll; skilled maintenance workers to perform electrical, plumbing, pipefitting, roofing, framing, HVAC and vehicle repair, and other tasks. Since the grants were awarded to government entities and the individuals were hired by the entities, the prevailing wage statute did not apply. Under the NEG, the jobs were temporary, limited to six months or 1,040 hours and paid a maximum wage of approximately \$12,000 per worker, not including fringe benefits.

Question: a. Has the department undertaken any additional or continuing activities related to Hurricane Sandy in FY 2014? Please detail these activities.

Response:

The various sub-grantees continue to hire temporary workers under the Superstorm Sandy NEG. USDOL approved a no-cost extension through December 31, 2014 and LWD submitted an additional funding request of \$3.6 million to USDOL to carry continuing areas up to December 31, 2014. As of March 20, 2014, 1114 temporary workers have been hired through the Sandy NEG.

b. What was the final number of individuals who received DUA? How many claims were denied? Was the additional staff hired to process DUA claims funded through a special federal appropriation or through regular UI administrative accounts? How many staff hired in the aftermath of Hurricane Sandy remain employed by the department?

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Response:

Approximately 3,025 individuals received DUA benefits under the Superstorm Sandy declaration. Approximately 570 DUA claims were denied because of regular UI eligibility, or other disqualifying factors.

Additional staff was hired to assist with the processing of DUA claims. The additional staff was funded through a Supplemental Budget Request for DUA administrative costs. The additional staff hired no longer remains employed.

c. Did any of the jobs funded through the NEG pay benefits? Please provide a final account of all the NEG funds dispersed to local government entities and retained by the department for administrative costs.

Response: See response to 1a. a.

All sub-grantees (11 local areas and 2 state agencies) were provided benefits in their allocation for temporary workers salaries. A few sub-grantees paid benefits to their temporary workers while other sub-grantees did not pay them any benefits. WIA Section 181(b)(5) states that, "all participants shall be provided benefits and working conditions at the same level and to the same extent as other employees working a similar length of time and doing the same type of work. If the employer has different policies for temporary employees than for full-time employees, these policies may apply to these participants since the jobs under this grant are classified as temporary."

Local Area WIBs/State Agencies	Funds Allocated
Atlantic	\$815,443
Bergen	\$983,828
Cumberland/Salem	\$51,828
Essex	\$3,542,920
Greater Raritan	\$270,787
Hudson	\$1,683,828
Middlesex	\$319,927
Monmouth	\$2,766,194
Newark	\$553,694
Ocean	\$1,010,297
Union	\$583,691
DEP	\$1,071,165
DMAVA	\$1,356,127
Administration Cost	\$443,453
Total	\$15,453,182.00

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1b. Also in response to Hurricane Sandy, the department appropriated \$500,000 to create two new Talent Networks: A Sandy Recovery Talent Network and a Retail, Hospitality and Tourism Talent Network. "Talent Networks" are a DLWD program intended to connect businesses in certain key industries with educational institutions, workforce development agencies, and government and community groups to identify the skills and training NJ employers require in prospective employees to remain competitive in the global market. By acquiring training in those skills, the program seeks to assist students and job-seekers in finding long-term jobs and 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. The two new Sandy-related networks brought the total to eight.

Question: a. How much will the department expend in FY 2014 and FY 2015 on Talent Networks, by network or industry, and what is the source of funding for the eight networks? Please detail the performance metrics used by the DLWD to measure the success of the individual networks. How many students, job seekers and businesses has the program assisted thus far, by network?

Response:

	<u>FY 2014</u>	<u>FY 2015</u>
Advanced Manufacturing	\$250,000	TBD
Financial Services	\$250,000	TBD
Health Care	\$250,000	TBD
Life Sciences	\$250,000	TBD
Technology/Entrepreneurship	\$187,500	TBD
Transportation/Logistics/Distribution	\$250,000	TBD
Northern Retail/Hospitality/Tourism *		TBD
Southern Retail/Hospitality/Tourism *		TBD

*Retail/Hospitality and Tourism Talent Networks were funded in FY 2013 at \$200,000 per grantee.

Source of Funding: Combined funding of 80 percent from WIA and 20 percent from Commissioner's WDP Discretionary

See Schedule I regarding the performance data for the various talent networks.

TBD = to be determined

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b. Please provide details on the Sandy Recovery Talent Network. How many employees have been placed in jobs due to this initiative? How many employers have received services from the Sandy Recovery Talent Network?

Response:

The Recovery Talent Network has served as a valuable resource hub for connecting employers and job seekers affected by Super storm Sandy, as well as coordinating the best information from businesses, schools and government regarding the Sandy affected labor market and resultant skills gaps. This Talent Network has gained most momentum by utilizing social media to locate Sandy affected job seekers and employers, and in the industry of residential construction. Such construction is experiencing a surge this spring and summer (anticipated). The Recovery Talent Network is presently focusing its effort on getting job seekers hired by residential construction companies through LWD's Recover4Jersey On-the-Job Training program which provides employers with 50% salary reimbursement up to \$10,000 for new hires who were unemployed and are paid at least \$10/hour.

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UNEMPLOYMENT INSURANCE

2a. 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. The balance in the fund determines the tax rate for employers for the following year as explained below.

Due to the high level of UI claims during the Great Recession, the UI trust fund was depleted in FY 2009 and began to borrow from the federal government to pay benefits in March, 2009. The reliance on borrowed money from the federal government to fund State UI benefits has resulted in increased costs to employers as follows: an increase in State UI taxes; an increase in federal UI taxes as required by the Federal Unemployment Tax Act (FUTA); and an assessment charged employers to repay the interest accrued on that borrowed money.

On March 31 of each year, the State determines the reserve ratio in the UI trust fund, as statutorily required pursuant to N.J.S.A. 43:21-7. The ratio of the UI trust 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.

Due to the low level of funds in the UI trust fund, the UI tax rate was first expected to increase on July 1, 2008, but through transfers of appropriations and legislation artificially maintaining lower tax rates, the Legislature acted to lessen the UI tax increases on employers and provide the employers with the ability to plan ahead for gradual UI tax increases. These changes resulted in the following tax schedules – "A" in FY2009, "B" in FY2010, "C" in FY2011, "D" in FY 2012 and "E" in FY 2013 and FY 2014 (through the enactment of P.L.2008, c.20, P.L.2009, c. 68, P.L.2010, c.37 and P.L. 2011, c.81, and P.L. 2013, c. 75 respectively).

Additionally, for all years after FY 2011, P.L. 2011, c.81 (the act) increased 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. This change is designed to shore up 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,

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pursuant to N.J.S.A. 43:21-7(c)(F)(iii), 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 18, 2014, the department did not anticipate that the fund balance would result in a reserve ratio on March 31 of below 0.1 percent and thus should not trigger the surcharge on July 1, 2014.

Question: a. Please provide the UI trust fund reserve ratio for 2013 and 2014 (including the 3/31 fund balance, any liabilities, taxable wages for the prior calendar year, and the reserve ratio) and estimates for 2015, 2016 and 2017. 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 2015, FY 2016 and FY 2017?"B" schedule? "C" schedule, "D" schedule, "E" schedule?

Response:

Below is the revenue comparison for the various fiscal years and various schedules. See Schedule II for reserve rate computation, Schedule III for the monthly revenue and expenditure estimates.

UNEMPLOYMENT COMPENSATION FUND TOTAL CONTRIBUTIONS TAX TABLES A - E&10% FISCAL YEARS 2015 - 2017 (in millions)			
TABLE	FY 2015	FY 2016	FY 2017
A	\$ 1,884.5	\$ 1,982.0	\$ 2,071.6
B	2,243.5	2,360.2	2,466.9
C	2,580.1	2,714.8	2,837.6
D	2,831.2	2,979.4	3,114.1
E	3,063.4	3,224.0	3,369.8
E&10%	3,336.5	3,511.8	3,670.6

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

Response:

Fiscal Year 2013/2014			
(Only Currently Active Emps)			
Emp UI	Tax Rate	# of Employers	# of Employees
Reimbursable		700	271,972
1.2		62,736	630,454
1.6		11,506	311,000
1.9		10,864	417,039
2.3		15,308	375,008
2.6		5,657	275,616
3.0		4,797	258,761
3.4		57,158	534,443
3.7		3,570	147,513
3.9		3,020	130,466
4.0		2,697	113,926
4.1		2,297	76,070
4.3		2,229	78,175
5.4		3,832	10,295
6.1		4,782	107,655
6.2		3,753	73,683
6.3		2,903	53,072
6.4		2,488	44,392
6.5		1,998	31,425
6.6		2,763	47,262
6.7		2,032	24,071
6.8		1,730	29,330
6.9		1,394	20,071
7.0		14,947	196,267
Total:		225,161	4,257,966

2b. In addition to State UI employer and employee taxes, employers also pay a federal unemployment insurance tax, which is more commonly known as the Federal Unemployment Tax Act (FUTA) tax. 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).

The FUTA tax rate can vary if the State has an outstanding balance on a loan from the federal government used by the State to pay unemployment insurance benefits. As of March 10, 2014, the State had an outstanding balance of \$254 million owed to the federal government. Federal law (section 3302 of FUTA) requires that if a state has borrowed from the federal government and maintains a deficit two years after the state initiated the

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borrowing, then a reduction to the employers' FUTA credit is initiated, resulting in a higher total FUTA tax for employers to pay in January of the following year. This was the case for New Jersey employers for CY 2011 (0.9% tax) and CY 2012 (1.2% tax). However, in November of 2013, the UI trust fund was temporarily solvent and the U.S. Secretary of Labor certified that New Jersey would be eligible for the maximum credit allowable under FUTA. Therefore, employers in New Jersey once again paid the reduced FUTA tax of 0.6% on the first \$7,000 in wages for wages earned in 2013. In its response to the OLS Discussion Points for the FY2014 budget process, the department estimated that the UI trust fund would no longer need to borrow from the federal government as of May, 2014 which should result in the continuation of the 0.6% effective FUTA tax for CY 2014 as well.

Question: a. Please provide the total amount borrowed from the federal unemployment account since the State started borrowing funds to pay benefits. Of the total amount borrowed, how much is still outstanding?

Response:

Unemployment Compensation Fund			
Loan Amounts Borrowed and Repaid			
Fiscal years 2009 - 2015			
(in millions)			
	Change in	Loan	
	Amount	Balance at	Interest
Period	Borrowed or Repaid	End of FY	Paid
FY 2009	\$ 324.90	\$ 324.90	-
FY 2010	1,424.70	1,749.60	-
FY 2011	(202.50)	1,547.10	\$ 48.0
FY 2012	(494.90)	1,052.20	40.7
FY 2013	(700.80)	351.40	17.1
FY 2014 (est)	(351.40)	-	3.0
FY 2015	No Borrowing Anticipated		

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

Response:

The loan balance as of March 31, 2014 was \$409 million. We expect to repay the loan on May 1, 2014.

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

Response:

For calendar year 2014 we expect our maximum outstanding loan balance as of April 18, 2014 to be \$525 million. We expect to repay this loan balance on May 1, 2014. We estimate our total interest expense for the period of October 1, 2013 to September 30, 2014 to be \$3 million. We do not expect the Unemployment Compensation trust fund to be in a deficit situation from May 1, 2014 thru June 30, 2015.

2c. Provisions of the American Recovery and Reinvestment Act (ARRA) of 2009, permitted States to borrow funds from the federal unemployment account without interest until December 31, 2010. After this time the State began to accrue interest on the principal. 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 State Unemployment Compensation Auxiliary Fund (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 State has made three interest payments to the federal government in September of each year, approximately \$48 million in 2011, approximately \$45 million in 2012, and approximately \$17 million in 2013. In order to pay this amount, the department mailed Federal Loan Interest Assessment Statements to employers in July of each year and the due date for the assessment was August of each year.

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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 2014 and anticipated to be charged in FY 2015.

Response: See the schedule below

UNEMPLOYMENT COMPENSATION FUND							
INTEREST EXPENSE							
CALENDAR YEARS 2011 - 2014							
(in millions)							
	ASSMT			TAXABLE	COST FOR	NET	
	INTEREST	TAXABLE		WAGE	1 WORKER	AMOUNT	AMOUNT
PERIOD	EXP	WAGES	RATE	BASE	@WAGE BASE	BILLED	COLLECTED
01/01/11 - 09/30/11	\$ 48.0	\$ 72,482.9	0.07%	\$ 29,600	\$ 19.60	\$ 50.7	\$ 47.5
10/01/11 - 09/30/12	40.7	73,210.1	0.06%	30,300	16.84	47.1	45.2
10/01/12 - 09/30/13	17.1	73,725.5	0.02%	30,900	7.17	17.6	16.6
10/01/13 - 09/30/14 est	<u>3.0</u>		0.00%		no assessment required		
Total	<u>\$ 108.8</u>					<u>\$ 115.4</u>	<u>\$ 109.3</u>

b. Please provide the total amount of assessment that was charged employers and the total amount that was collected by the State in FY 2014 and anticipated in FY 2015. If employers did not pay the assessment, what kind of action did the State take?

Response: See the above schedule regarding the amount charged employers. Employers who failed to submit payment of the Federal Loan Interest Assessments by the prescribed due date were charged interest on the assessment and were subject to the same collection actions as employers who had any other unpaid contribution debt, including the entry of a Certificate of Debt (judgment) and subsequent Writ of Execution.

3. 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.

As discussed in Discussion Point 2c above, the UCAF has not had excess funds to pay the interest accrued on the federal loan, in large part because the funds in the UCAF are

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authorized for various purposes through budget language. In FY 2014 the Appropriations Act included language authorizing appropriations of up to \$21.38 million from the UCAF. Schedule VI in the department's response to the OLS Discussion Points during the FY 2014 budget process indicated that the UCAF balance would be \$1.3 million at the end of FY 2014.

Proposed budget language in the FY 2015 Budget Recommendation would authorize a \$2.5 million (11.7 percent) increase in appropriations from the UCAF next fiscal year. The following appropriations are recommended in FY 2015: \$1.088 million for administrative and support services; \$150,000 for unemployment compensation earned income tax credit costs; \$5 million for certain UI collection activities; \$16.747 million for the Division of Vocational Rehabilitation; \$50,000 for the Disadvantaged Youth Employment Opportunities Council (DYEOC); \$484,000 for the Board of Mediation; \$72,000 for the Council on Gender Parity; and \$475,000 for the New Jersey Youth Corps. With the exception of a \$2.5 million increase for certain UI collection activities, these amounts are equal to the appropriations from the UCAF in FY 2014.

Although annual appropriations acts since FY 2009 have included budget language permitting \$50,000 to be used from the UCAF for the Disadvantaged Youth Employment Opportunities Council (DYEOC), there is no evidence that the DYEOC was ever established or that funds have ever been appropriated or expended for this purpose.

The DYEOC, was established by P.L.2001, c.446 (C.34:15F-120) to develop a master plan to increase employment opportunities for disadvantaged youth and to enlist the support of various stakeholders in implementing this master plan. Although originally established in, but not of, the DLWD, the DYEOC was subsequently directed to report to the Chairperson of the State Employment and Training Commission (SETC) pursuant to P.L.2007, c.189. However, as stated above, there is no evidence to suggest that the DYEOC has ever become operational.

Question: a. Please provide the actual opening and closing balances of the UCAF for FY 2013 and anticipated for FY 2014, FY 2015 and FY 2016. Please list the expenditures, by subject or program area, from the UCAF for FY 2013 and anticipated for FY 2014, FY 2015 and FY 2016.

Response: See Schedule IV

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b. Please indicate if there has ever been funding allocated to the DYEOC and if so, in what year and for what amount. Does the DYEOC currently exist? If the DYEOC is not yet operational, please explain the current and recommended budget language authorizing appropriations to the council. If the council is operational, please provide the membership for the DYEOC and its meeting schedule since inception.

Response:

In FY 2008 \$50,000 was used for an after school incentive program operated through the Department's Youth Corps program.

While the DYEOC never became operational, the SETC launched the NJ Shared Youth Vision Council in February of 2013 whose mission is to empower the State's disadvantaged youth to become productive members of their communities through workforce readiness preparation, leadership development and community engagement.

New Jersey's Shared Youth Vision Council is a collaborative to foster the development of comprehensive, youth-centered, strategic workforce continuum for the State. The Council strives to achieve its mission through policies and practices that build system capacity, institute career awareness and employability and target investments in innovative programs that create pathways to employment.

The New Jersey Shared Youth Vision Council is aligned with the State's Unified Workforce Investment Plan 2012-2017. The Council's strategic work plan aligns with the identified Key Industries in NJ and its tactics are rooted in the Unified State Plan's Core Values.

Council membership is comprised of leaders and decision makers from private industry (representing key sectors in NJ), educational institutions, community based organizations, state agencies, and faith based service providers. The membership roster is available on www.njsetc.net.

4. P.L.2013, c. 124 changes the penalty assessed individuals who fraudulently obtained unemployment benefits under the State's unemployment compensation program. Previously, the individual was assessed either \$20 or 25 percent of the amount fraudulently obtained, whichever was greater, and the recovered fine was deposited into the UCAF. The new law requires that a recovered fine of 15 percent of the amount fraudulently obtained by an individual will be immediately deposited in to the UI trust fund, and a recovered fine of 10 percent of the amount fraudulently obtained will be deposited into the UCAF. The new law also requires the same assessment of penalties and deposit of penalties into the State's

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UI trust fund and the UCAF also apply to benefits obtained fraudulently by individuals under any federal unemployment compensation program.

Question: a. What is the total amount assessed to and collected from individuals who fraudulently obtained unemployment benefits in FY2012, FY 2013, and estimated for FY 2014? Please include both the base benefits that were repaid and the penalty amount paid by the individuals.

Response:

Separate and apart from fraudulent payments recovered from the TOP program as identified in 9.b.b., listed below are the total amount assessed and the fraudulent payments recovered for 2012 and 2013 and estimated for 2014.

FY	Total Assessed	Amount Collected
2012	\$18,374,476	\$13,471,858
2013	\$20,428,741	\$12,810,587
2014 (estimated)	\$21,000,000	\$13,600,000

A breakdown of the recovery types is not maintained.

b. Prior to the enactment of P.L.2013, c.124, what was the department’s process for recovering the overpayment of fraudulently obtained unemployment benefits and associated penalties? Were overpaid benefits counted against any future benefits to be paid to the individual?

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, Homestead Rebates and Lottery winnings also occur. Wage garnishments are pursued when warranted and any future Unemployment Insurance benefits are offset against outstanding overpayments.

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The fraudulent payments recovered for 2012 and 2013 and estimated for 2014 noted above are the result of the receipt of cash, state income tax offsets (SOIL) and future benefit offsets. A breakdown of recovery types is not maintained.

c. What has been the financial impact of P.L.2013, c. 124 on the UCAF and the UI trust fund?

Response:

Since P.L. 2013, c. 124 was enacted in August 2013, we do not have enough data to determine its impact. Historically fines and penalties collected as a result of fraudulently collected benefits have never exceeded \$2.0 million on an annual basis. Also, the implementation of the TOP program will likely offset any reductions in revenues to the UCAF caused by P.L. 2013 c. 124. Lastly any reductions in allocated fines and penalties to the UCAF will benefit the Unemployment Insurance Benefits fund.

5. P.L.2010, c.37 modified "misconduct" and "voluntary quit" definitions for unemployment insurance beneficiaries. Under the new law, an individual must be employed for eight weeks after voluntarily quitting a previous job and applying for UI benefits. Previously, an individual only had to be employed for four weeks in a new job.

The new UI eligibility criteria for workers who are terminated for misconduct is a three-tiered structure, established as simple misconduct, severe misconduct and gross misconduct. The previous structure identified two levels of misconduct, general and gross misconduct.

Previously, 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. Persons 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. 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.

Under the new system, gross misconduct is still defined as 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. However, now persons who were discharged due to gross misconduct must be reemployed for at least 8 weeks, with earnings of at least 10 times their weekly benefit, before receiving UI.

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Additionally, under the new system, general misconduct has been eliminated and persons are either classified as those discharged due to simple or severe misconduct. Neither severe misconduct nor simple misconduct are clearly defined in statute, but certain examples of severe misconduct are provided. Individuals terminated for simple misconduct must wait 7 weeks from their termination date to receive benefits. Individuals terminated for severe misconduct must be reemployed for at least 4 weeks and earn at least 6 times their weekly benefit before receiving UI.

On January 7, 2013, regulations were proposed to implement P.L.2010, c.37 and define severe and simple misconduct. This was the second set of regulations proposed for that law, with the first set having been proposed in 2010, but not adopted. However, the second set of regulations also was not adopted, and the department is currently drafting a new third set of regulations. Although the definitions have not been clearly defined, the Superior Court of New Jersey, Appellate Division, issued a ruling on March 21, 2013, *Silver v. Board of Review*, 430 N.J.S. 44, which discussed at great length the challenge the court faced in identifying misconduct as severe or simple in the absence of a clear definition promulgated by regulations.

The Governor's conditional veto message for S-813 of 2010, the bill that became P.L.2010, c.37, included a statement that the department would be advised to adopt regulations implementing the act that would "require that an employer provide written documentation to show that the employee's actions constitute either misconduct, sever misconduct, or gross misconduct." The regulations proposed on January 7, 2013, however, did not include such a requirement for written documentation.

In response to the OLS Discussion Points during the FY 2014 budget process, the department estimated that the UI trust fund saved approximately \$165 million from July 2010 through March 2013 due to the amended misconduct definitions.

Question: a. 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 2011, FY 2012, FY 2013 and thus far in FY 2014. 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 a minimum of eight weeks (previous minimum requirement was six weeks) and was again separated from employment due to no fault of the claimant.

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Below are the Simple Misconduct Savings for FY 2011 through FY 2014 (through February 2014). The savings were determined by multiplying the number of Simple Misconducts for each FY by 2 (additional weeks of denial) and \$396 (average weekly UI benefit amount).

FISCAL YEAR	ESTIMATED SAVINGS
FY 2011	\$20,300,000
FY 2012	19,100,000
FY 2013	17,500,000
FY 2014 (through February 2014)	<u>11,400,000</u>
TOTAL	<u>\$68,300,000</u>

b. 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 2011, FY 2012, FY2013, and thus far in FY 2014.

Response:

Regular UI Denial

	FY2011	FY2012	FY2013	FY2014*
Simple	25,694	24,138	22,069	14,348
Severe	6,646	8,547	7,173	4,174
Gross	1,649	1,633	1,430	938

* Through February 2014

c. Please report the numbers of appeals for the denial or delay of benefits due to worker misconduct that were reported in FY 2011, FY 2012, FY 2013 and thus far in FY 2014. 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	18,803
FY 2011	15,663 (2,667 severe misconduct)
FY 2012	14,679 (3,593 severe misconduct)
FY 2013	18,398 (4,426 severe misconduct)
FY 2014 (thru Feb 2014)	11,509 (1,948 severe misconduct)

Discussion Points (Cont'd)

The department is required to track and periodically report to the USDOL on the average age of all cases in inventory and the time lapse for decisions affecting these cases in both Lower Level and Higher Level Appeals. Outcomes of appeals are not requested and not tracked. As a result, the department does not maintain separate average age, time lapse or outcomes data for appeals specifically involving claims relating to any degree of misconduct.

d. Please provide the savings realized by the UI trust fund due to the application of the new misconduct definitions in FY 2011, FY 2012, FY 2013 and thus far in FY 2014. Please be specific as to how these savings were achieved and to which type of misconduct the savings can be attributed.

Response:

Below are the Severe Misconduct Savings for FY 2011 through FY 2014 (through February 2014). The savings were determined by multiplying the number of Severe Misconducts for each FY by 13 (average net duration of benefits), multiplying this number by 75% (estimate of claimants who do not find other employment) and \$396 (average weekly UI benefit amount).

Fiscal Year	Estimated Savings
2011	\$25,700,000
2012	33,000,000
2013	27,700,000
2014 (through February 2014)	16,100,000
TOTAL:	<u>\$102,500,000</u>

See response to 5 a. for Simple Misconduct Savings.

e. Please respond to the court’s assertion in Silver v. Board of Review that simple misconduct must be determined willful, deliberate, or malicious before an action can be deemed severe misconduct. Does the department anticipate promulgating regulations that provide a new definition for simple as well as severe misconduct?

Response:

The court did not assert in Silver v. Board of Review that the threshold test for simple misconduct is whether the action was “willful, deliberate, or malicious.” (emphasis added) Rather, the court indicated that in the absence of a statutory definition for

Discussion Points (Cont'd)

the term "misconduct," the controlling authority for disposition of claims based on misconduct is the Department rule at N.J.A.C. 12:17-10(a). About that rule, the court stated the following:

By its plain terms, this rule prescribes a two-prong standard to establish misconduct. First the conduct must be improper, intentional, connected with the work, malicious, and within the employee's control. Second, the conduct must also be either a deliberate violation of the employer's rules or a disregard of the standards of behavior which the employer has the right to expect.

This is a test for "misconduct" which the court characterized as "more stringent" than the test announced in the seminal case, *Beaunit Mills v. Board of Review*, 43 N.J. Super. 172 (app. Div. 1956), and utilized by the court in subsequent decisions. See *Demech v. Board of Review*, 167 N.J. Super 35 (App. Div. 1979); *Smith v. Board of Review*, 281 N.J. Super. 426 (App. Div. 1995); and *Parks v. Board of Review*, 405 N.J. Super. 252 (App. Div. 2009). It is this incongruity between the case law definition of "misconduct" and the regulatory definition of "misconduct," which had prompted the Department at one time to propose an amendment to N.J.A.C. 12:17, which would have substituted the case law definition announced in *Beaunit Mills* for the existing regulatory definition.

The court in *Silver* identified a problem with the statutory treatment of severe versus simple misconduct, in that, according to the court, two of the examples of severe misconduct listed in the 2010 statutory amendment, "describe, if read literally, conduct that would not necessarily be deliberate, intentional, or malicious ('repeated violations of an employer's rule or policy,' and 'repeated lateness or absences after a written warning')," and which, therefore, would not necessarily meet the test for simple misconduct. Such a result, the court observed, would be "absurd and contrary to the legislative intent," namely, to create severe misconduct as a gap-filler between simple misconduct and gross misconduct. Thus, the court instructed that one must construe the two above-cited statutory examples of severe misconduct "as requiring acts done intentionally, deliberately and with malice." Two pages later within the opinion, however, the court declared that, "the repetitive violation of a rule, policy or standard may justify a reasonable inference that the employee's disregard was deliberate and in that sense malicious."

Discussion Points (Cont'd)

f. Will the department propose regulations requiring employers to provide written documentation of employee misconduct? Are employers currently required to provide such written documentation?

Response:

The Department will propose regulations requiring written documentation when necessary. Currently, in order to sustain a disqualification for misconduct where there exists a dispute of material fact between the claimant and the employer as to the reason for the claimant's separation from employment, the employer is required to show through written documentation that the employee's actions constitute misconduct.

g. Please comment on how the Silver v. Board of Review decision has affected the number of cases that are defined as severe misconduct versus simple misconduct?

Response:

The Silver decision was rendered on March 21, 2013. From the misconduct statistics for the period from July 2013 through February 2014 (post Silver decision), it appears that there has been a decline in the overall percentage of severe misconduct determinations from the prior fiscal years. Using the data outlined in 5.b. above, the percentages for simple and severe denials for FY 2012 are 70% and 25% respectively. Likewise, the percentages for simple and severe denials for FY 2013 are 71% and 24% respectively. However, the data for the FY 2014 (July 1, 2013 through February 2014) for simple denials is 74% (an increase of 4% over FY 2012 and 3% over FY 2013) and severe is 21% (a decrease of 4% over FY 2012 and 3% over FY 2013).

In addition, it appears that there has been an overall decline in the number of denials in general. Carrying our FY 2014 data over the entire 12 month period (July 1, 2013 through June 30, 2014) the projected total denials would be 29,190 (a reduction of 5,128 or 14% over FY 2012 and 1,482 or 4% over FY 2013).

6. 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. Some of these recommendations were also made in a subsequent audit performed by the Office of the State Comptroller issued on May 29, 2013.

Discussion Points (Cont'd)

One of the findings of the State Auditor's report addressed "Ineligible Payees," or claimants such as incarcerated individuals and deceased persons collecting unemployment benefits. This same finding was included in the Office of the State Comptroller's audit report on Improper Benefit Payments to Incarcerated Individuals, issued on May 29, 2013. The Comptroller's report identified over \$10.6 million in UI benefits paid out from July 1, 2009 to April 30, 2011 to ineligible, incarcerated individuals. In the report, the Comptroller recommended that the Department of Corrections and the Administrative Office of the Courts act to ensure that county incarceration data as well as State incarceration data are subject to a thorough cross check with unemployment insurance beneficiary data. According to the department's response to both the State Auditor's report and the Comptroller's report, a Memorandum of Understanding (MOU) has been implemented between the Department of Corrections and the DLWD. However, the MOU does not require sharing of information between County incarceration facilities and the State.

Additionally, the State Auditor, in its October 2012 report 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 discover any who are deceased. In response to the OLS query in the Discussion Points in the FY 2014 budget process, as to whether the department had adopted an MOU with the Office of Vital Statistics to share information from the New Jersey Electronic Death Registration System, the department asserted that it currently uses a third party vendor, VERIS, to verify valid Social Security Numbers and that VERIS has a complete and timely database of all death records.

P.L.2013, c.274 incorporated the recommendations of both the State Auditor and the State Comptroller and 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.

Question: a. Has the department adopted a Memorandum of Understanding with any County court systems to share inmates' identifying information? If not, what is the current status of any efforts to enter into such agreements?

Response:

A Memorandum of Understanding with the County Court System was executed in March 2013.

Discussion Points (Cont'd)

b. 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:

Beginning May 1, 2013 through March 1, 2014 the department has determined that Trust Fund savings of \$1.7 million have been realized as a result of the cross-match of incarcerated individuals attempting to fraudulently collect unemployment insurance benefits.

c. Why does the department pay a vendor, VERIS, to verify valid Social Security numbers, including death records, when the State already collects death registrations through the NJ Electronic Death Registration System? What is the total cost of the contract with VERIS to verify the valid Social Security numbers? What is the end date on that contract? Is the department considering switching to using the information already collected by the State to verify valid Social Security numbers?

Response:

The VERIS system has been in use by the department for a number of years and uses a national system of Social Security Numbers and death records. Since approximately 10% of Unemployment Insurance claims are filed by individuals who are not residents of New Jersey, this national system of verification is more comprehensive than one which is based solely on New Jersey residents.

The VERIS contract is year-to-year with an annual cost of \$17,500.

The department plans on using both the NJ Electronic Death Registration System and the VERIS system to obtain the most complete, accurate and timely information for all claimants who filed Unemployment Insurance claims.

7. Also in response to the State Auditor's report, issued on October 12, 2012 and discussed in more detail in Discussion Point #6, the Legislature enacted P.L.2013, c.169, which requires employers to report new hires to the state Department of Human Services (DHS), and then requires the DHS to share that information with State agencies operating employment security and workers' compensation programs and with any other federal or State agency deemed appropriate by the commissioner.

Discussion Points (Cont'd)

The law also applies to those rehired by the same employer after at least 60 days of separation from his or previous term of employment. Employers have up to 20 days following a new hire or rehire to submit the required information to the State.

Information provided to the DLWD as a result of the bill is intended to facilitate efforts by the department to prevent any continued improper collection of unemployment benefits by individuals after they have returned to work.

Question: a. Has the department established a system to automatically collect employment data from the DHS pursuant to this legislation?

Response:

The department has been collecting employment data from both the National Directory of New Hires and the state Directory of New Hires, operated by the DHS, even before P.L.2013, c.169 was enacted. Since April 2011 the department has been using the employment data to challenge claimants at the time they are certifying for UI benefits after the date of hire. Under P.L.2013, c.169, employers are specifically required to additionally report to the DHS directory those individuals who have been rehired by their last employer after at least 60 days of separation. Those reports are now being added to the database the department already has been using to cross-check and challenge claimants certifying for UI benefits after the return to work date.

b. Has this information yielded any individuals who are fraudulently collecting UI benefits? How much, if any, savings can be attributed to this new sharing of data?

Response:

As of March 1, 2014 a total of 247,007 claimants were identified through the DHS employment data and from the National Directory of New Hire for individuals living out of state as attempting to improperly continue to collect Unemployment Insurance benefits.

As of March 1, 2014 the department has determined Trust Fund savings of \$305.7M have been realized as a result of the cross-match.

8. The Office of the State Auditor released a second report on the unemployment insurance program on December 31, 2013. This audit was conducted on the Department of

Discussion Points (Cont'd)

Labor and Workforce Development Unemployment Insurance Contribution Revenue for the time period July 1, 2010 to December 31, 2012. The audit found that the UI contribution revenue collection and recording processes were adequate but noted several matters which merited management's attention. One of these matters was that certain State vendors had outstanding unemployment insurance contribution liabilities. The State Auditor tested 170 vendors that owed a total of \$36.7 million in UI contributions and penalties and interest as of June 2013. These vendors were paid a total of \$78.5 million in fiscal year 2011 and \$32.8 million in fiscal year 2012 in State funds.

State law (N.J.S.A.54:49-19) does require that employers prove that they do not have any outstanding debts to the State when entering into a contract to provide the State services. The debt however is restricted to that which is defined under the State Tax Uniform Procedure Law (N.J.S.A.54:50-12), and does not include UI taxes. Therefore, businesses that are delinquent in their UI taxes are not barred from receiving a proof of business registration from the Department of the Treasury and contracting with the State, pursuant to PL 2001, c. 134 (C. 52:32-44). Senate Bill No. 1622 of 2014, sponsored by Senators Madden and Vitale, seeks to change this system and prohibit payments of vendors who have outstanding UI tax obligations.

Furthermore, the audit found that the New Jersey Comprehensive Financial System (NJCFIS) Garnishment Process within the Department of the Treasury is responsible for withholding payments to vendors that owe the State monies, but the DLWD does not take advantage of this program. The department, in response to the State Auditors' recommendation, stated that it prepared a service request that will generate a listing of all vendors with unpaid or underpaid contributions. This list will then be submitted to the Department of the Treasury for inclusion in the NJCFIS Garnishment Process.

Question: a. Please provide the total amounts of unpaid and underpaid contributions, penalties and interest submitted to the Department of the Treasury for inclusion in the NJCFIS Garnishment Process.

Response:

Unpaid and underpaid contributions, interest and penalties totaling \$102,943,039 for active employers and \$48,798,611 for inactive employers were submitted to the Department of the Treasury for inclusion in the NJFS Garnishment Process.

Discussion Points (Cont'd)

b. Of the amount submitted, how much has been collected thus far by the Department of the Treasury?

Response:

Through March 20, 2014 a total of \$5.1 million has been collected.

9a. Several initiatives have been implemented in the past few years to address the collection of debt owed to the UI trust fund through both overpayments to individuals and the underpayment of taxes owed by employers.

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 Office of Administrative Law. According to the Department of the Treasury's response to OLS Discussion Points in FY 2014, the division's goal is for 90 percent of the debt owed to each of the State departments to be transferred to the division for collection efforts. The DLWD has only transferred 72.9 percent of its debt to the division, the second lowest percentage for all departments in the State. This low rate is due in large part to the department retaining the debt collection activities for the monies owed the UI trust fund.

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 two 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 on hold and UI debt collection is being implemented by the DLWD.

Discussion Points (Cont'd)

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:

Listed below is the breakdown of employers (including reimbursable employers) and workers outstanding receivables by timeframe as of December 31, 2013. All liabilities listed have been established within the four-year statute of limitations required in N.J.S.A. 43:21-16.

Age of Receivable	Employers (through 12/31/13)	Reimbursables	Claimants (through 3/31/14)	Total
0-6 months	\$ 12.5	\$ 12.8	\$ 20.5	45.80
6-9 months	5.90	0.70	8.10	14.70
9-12 months	8.90	0.90	11.50	21.30
12-15 months	8.70	1.10	10.40	20.20
15-18 months	7.80	0.50	7.90	16.20
18-21 months	8.40	0.60	10.00	19.00
21+ months	<u>275.1</u>	<u>22.2</u>	<u>225.1</u>	<u>522.40</u>
Total	\$ 327.3	\$ 38.8	\$ 293.5	\$ 659.6
(In millions)				

Note: The amounts include accounts that have been deemed uncollectible, bankrupt, inactive, and/or deceased.

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 first business day of the month to any claimant with an outstanding balance and a valid mailing address. Each form sent to the claimant fully explains the debt amount and available repayment options. Significant details regarding the failure to make restitution are listed, including the possibility of offsets. Any overpayment with no repayment activity for six months

Discussion Points (Cont'd)

becomes eligible for a Certificate of Debt (judgment) to be filed in the New Jersey Superior Court. Offsets with federal Income Tax refunds, State Income Tax refunds, Homestead 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 of less than \$1,000 based on the submission of tax or wage record returns are sent an immediate billing which is pended for 45 days, followed by a summary bill which is pended for 30 days. Thereafter, the employer receives quarterly reminder bills followed up by a telephone call.

Employers with liability of \$1,000 or greater receive an initial billing followed by a telephone contact. If the employer is delinquent in filing the tax return an estimated return is prepared. If payment isn't made within 30 days a summary bill is issued followed in 30 days by a pre-judgment letter. If no response is made within the next 30 days a Certificate of Debt (judgment) is filed in the New Jersey Superior Court followed by a request for writs of execution for the Sheriff to perform a bank and/or asset levy.

The amount of payments made in each of the collection steps is not tracked.

c. What is the status of the USDOL's prohibition on using funds intended for the UI trust fund for debt collections activities? What steps, if any, has the department taken this year to persuade the USDOL to permit this activity? What is the department's prediction as to the likelihood of this use in the future?

Response:

The department continues to have conversations with the USDOL regarding the use of funds intended for the UI Trust fund for debt collection activities. The USDOL has consistently responded to New Jersey that federal statutes prohibit the redistribution of UI Trust funds for any purpose other than to pay Unemployment Insurance benefits. An amendment to the federal statutes would likely be required in order to allow funds intended for the UI Trust fund to be used for administrative purposes.

9b. 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)

Discussion Points (Cont'd)

Included in the many proposals and changes implemented by the federal government is the Treasury Offset Program (TOP), permitting states to recover UI debt by withholding the individual's federal tax refunds. New Jersey joined 30 other states in 2013 and has implemented TOP to recover UI debt (<http://lwd.dol.state.nj.us/labor/ui/content/overpayment.html>). According to the department's response to OLS Discussion Points in FY 2014, an individual fraudulent overpayment file was generated and sent to the Internal Revenue Service at the end of April, 2013. Based on the experience of other states, the department anticipated approximately \$14 million would be collected in the first year.

Question: a. What is the department's analysis of the effect of the implementation of TOP on collection efforts?

Response:

The implementation of the TOP program has generated a substantial increase in the number of responses from claimants wishing to satisfy the balance of their outstanding overpayment, through previously established payment mechanisms such as a deferred payment or a final payment plan, so as not to incur a TOP offset against future federal tax refunds.

b. Please provide the amount of revenue collected through TOP from employees in FY 2014 and anticipated for FY 2015. Please provide the amount of revenue collected through TOP from employers in FY 2014 and anticipated for FY 2015.

Response:

Since the inception of the TOP program for claimants with fraudulent overpayments in May 2013 through April 3, 2014 a total of \$41,868,657 in revenue has been collected on 21,112 offsets. It is anticipated that in FY 2015 an additional \$30 million will be collected.

Federal legislation was amended in 2013 compelling states to recover employer UI debt through the TOP program. However, the USDOL is currently in negotiations with the Treasury Department and the IRS on the process of certifying states on how to include UC TOP for unpaid UI employer taxes. The department understands that by the end of the summer the USDOL will be providing guidance to all of the states on the TOP enrollment process for employers with an outstanding UI debt.

10. In response to the OLS Discussion Points during the FY 2014 budget process, the department stated that it had spent \$56 million from August 2005 to April 2009 to implement the New Jersey State Unemployment Compensation Claimant and Employer Service System (NJSUCCESS). NJSUCCESS is a project to redesign all unemployment

Discussion Points (Cont'd)

insurance business processes and technical systems that was 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 April, 2009, 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.

In response to previous OLS Discussion Points in the FY 2012 and FY 2013 budget process, 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.” Additionally, the department stated that based on a “Statement of Work” a “Request for Information” (RFI) was prepared in October 2012 and 12 vendors responded to the RFI. In March 2013 the department assigned two Office of Information Technology (OIT) representatives to work with the department’s Project Management Office (PMO) on implementation. The department further stated that the project will be funded through Reed Act funds and a supplemental appropriation from the federal government may be sought if additional funds are needed.

Question: a. Please provide the Legislature with the Statement of Work and the accompanying budget developed by the Senior Consultant and approved by the review committee?

Response:

See Attachment I - “Statement (Scope) of Work” for the October 2012 Request for Information (RFI).

The Strategic Plan developed by the Senior Consultant in 2012 and approved by the review committee identified three approaches for transitioning from the existing legacy system to a new integrated UI Benefits system.

Below is high level cost estimates for each of the three approaches:

Approach	Projected Cost*
Commercial Off The Shelf (COTS)/Framework/Hybrid	\$32M

Discussion Points (Cont'd)

Transfer System from another State or Consortium	\$35M
Modular Replacement of Legacy System	\$55M

*This is in addition to any departmental staff costs and ongoing OIT costs of the continuation of the current mainframe legacy system until build-out of the new system is completed.

b. Was there a vendor selected to complete the Statement of Work that the Senior Consultant had developed? Who is implementing the plan to complete the modernization of the unemployment insurance system? What is the total cost for the plan? Will all of those costs be funded through Reed Act funds or will a supplemental appropriation be requested by the department?

Response:

No vendor was selected as the department elected to form a consortium with the State of New York to jointly modernize each state's employer/benefits/appeals system as further detailed in 10c.

Phase I of the consortium is being funded through an approved federal Supplemental Budget Request (SBR) shared by both States. It is anticipated that, Phase II will be a combination of the remaining balance of Reed Act funds earmarked for UI Modernization and, depending on federal funds being available, an additional SBR approval.

c. Please provide a plan for FY 2014 and FY 2015 for the modernization of the UI system.

Response:

In late spring of 2013 discussions were held between the States of New York and New Jersey on the possibility of forming a consortium to modernize the UI employer/benefits/appeals systems of both states.

To this end, on August 23, 2013 New York and New Jersey signed a formal "letter of intent" to the USDOL to form a consortium and submit a proposal for Supplemental Budget Request (SBR) funding for UI Modernization projects. The lead state agency for the consortium would be the New York Department of Labor. Following the letter of intent, both New York and New Jersey held numerous discussions with both the USDOL and the Information Technology Support Center (ITSC), the national resource center for IT activity created by the USDOL.

Discussion Points (Cont'd)

On September 26, 2013 the consortium's formal proposal submitted in the form of a Supplemental Budget Request (SBR) was approved by the USDOL in the amount of a combined \$4M to complete Phase I which is to leverage existing consortium business requirements to define common functional requirements, analyze and assess each of the four existing consortium, as a model to adopt a governance structure, develop approaches and an operational model, and other factors to support the joint development of a full UI system. Phase II is the development and implementation of a fully functional modernization of the UI employer/benefits/appeals systems for both states. The USDOL has advised that should the consortium proceed with Phase II, depending on the availability of federal funding, a second SBR (the amount yet to be determined) could be submitted to USDOL for approval.

The consortium partnership has been working to complete the analysis of a fit gap to identify the similarities and differences between the New York and New Jersey envisioned systems, including the gathering of UI business rules, laws, policies and procedures.

Likewise, the consortium is working toward completing joint multi-state requirements for the employer/benefits/appeals system that are Request For Proposal (RFP) ready for functional, non-functional and technical areas, while leveraging other consortia relevant materials and best practices. As part of this process the consortium is finalizing the Job Description for a Project Director and a Request For Information (RFI) to gather information on the most current industry approaches and solutions to develop, operate and support a modernized UI employer/benefits/appeals system.

The department has finalized a Statement of Work (SOW) for a Project Manager/Business Analyst and has forward the SOW to OIT for approval to assist the department in defining RFP-ready functional, non-functional and technical requirements of a UI Modernization System.

Prior to the end of 2014, the New York and New Jersey partners anticipate being prepared to proceed to Phase II, contingent on the following primary factors: (a) vendor responses to a Request for Information (RFI); (b) availability of USDOL resources to support the consortium project; (c) Consortium Project Director recommendations; and (d) each state's business and technology needs and recommendations.

11. 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. The department indicated, in response to the OLS Discussion Points during the FY 2014 budget process, that online certification of benefits was available 71 hours per week:

Discussion Points (Cont'd)

M-F 7 AM – 6 PM, Saturday 8 AM – 3 PM, and Sunday 8 AM- 5 PM. Furthermore, 60 percent of Internet certifications are filed on Sundays, 19% are filed on a Monday, 9 percent on Tuesday, 7 percent on Wednesday, 3 percent on Thursday, 1 percent on Friday, and less than 1 percent on Saturday. Additionally, Commissioner Wirth, in his testimony to the Assembly Budget Committee on April 7, 2011 asserted that the department was in the process of creating “off-hours” online access to applications which would permit claimants to access the certification process during non-business hours. The claim would then be certified during the next scheduled posting date.

Question: a. 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 online? If so, what percentage of claimants are utilizing the system during the newly expanded hours?

Response:

The department’s nearly 40 year old UI system does not have the technological capacity to provide 24/7 online certification access for our claimants due to system limitations. However, from 2011 to the present, the department has expanded the available hours for claimants to certify their claims online to 71 hours per week. Claimants can now certify online for UI benefits 7 days a week: M-F 7AM – 6PM, Saturday 8AM – 3PM and Sunday 8AM – 5PM. The additional weekend hours, gradually increased over time, proved to enhance our ability to address the online certification needs of our claimants. In the past year or so, the weekend hours account for 57.9% of the average weekly online certifications followed by Monday certifications of 20.7%. While the department pursues our consortium partnership with NY to modernize the UI system, every effort is being made to improve the existing system’s service delivery for our claimants. The department is currently providing and is encouraging claimants to file weekly benefits over the Internet.

b. Has the department created the “off-hours” online certification that Commissioner Wirth testified about? If so, please detail the mechanisms of the system. If not, please detail why not.

Response:

Yes, claimants can certify online for UI benefits 71 hours per week, 7 days a week: M-F 7AM – 6PM, Saturday 8AM – 3PM and Sunday 8AM – 5PM. The off-hours online certification (Saturday and Sunday hours) were gradually implemented over the past year to enhance online certification access for UI claimants.

Discussion Points (Cont'd)

c. What are the barriers to 24 hour access? Has the department considered modifying access to ensure greater access during the times when it is most needed, such as Sundays?

Response:

Due to the nearly 40 year old legacy mainframe system limitations, all possible online certification access for expanded hours has been fully optimized within available technological options. The legacy system has to run daily batching activities which also limits the 24/7 access for online certifications. The 24/7 access is a realistic expectation, once the department successfully implements a new UI system.

12. 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, the Unemployment Compensation Auxiliary Fund and the Unemployment Insurance Fund, among others. The FY 2015 Budget Recommendation includes language authorizing \$5 million in FY 2015 appropriations from the UCAF to support collection activities, a \$2.5 million (100%) increase (page D-227) from the \$2.5 million authorized in FY 2014 for the same purpose.

According to the department, as required by federal cost principles, the "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."

Question: a. Please provide expenditures, by fund, for the shared costs by fiscal year since FY 2011 through FY 2015 projected.

Response: See Schedule V.

Discussion Points (Cont'd)

b. Please detail the amounts appropriated from the UCAF for "collection activities" in FY 2013 and FY2014 and explain the recommended \$2.5 million increase in appropriation from the UCAF for this purpose in FY 2015

Response:

Funding was not utilized in FY 2013 from the UCAF for collections activities. We anticipate using \$2.5 million for collection activities in FY 2014 and \$5.0 million for collection activities in FY 2015. The increase in FY 2015 is due to a projected decrease in federal funding for the Unemployment Insurance program.

MINIMUM WAGE

13. The voters of New Jersey approved SCR1 SCS of 2012 on November 5, 2013. This Constitutional Amendment added paragraph 23 to Article I of the State Constitution, setting the minimum wage at \$8.25 per hour and permitting cost of living increases based on increase in the consumer price index. The cost of living increases will be added to the \$8.25 rate and any subsequent increase in the minimum wage rate made by State or federal law. The cost of living increases are based on the Consumer Price Index for Urban Wage Earners and Clerical Workers (CPI-W). On January 1, 2014, the minimum wage for New Jersey increased from \$7.25 to \$8.25 per hour.

Question: a. What impact did the increase in the minimum wage have on employment levels in New Jersey?

Response:

Data is not available to provide a response to this question.

b. As of December 31, 2013 how many persons were employed in New Jersey earning: less than \$7.25 per hour; \$7.25 per hour; more than \$7.25 per hour but less than \$8.25 per hour; \$8.25 per hour; and more than \$8.25 per hour?

Response:

Data is not available to provide a response to this question.

Discussion Points (Cont'd)

c. Please provide the department's best estimate of the automatic annual increases of the minimum wage, as it is tied to the CPI-W, in 2015 and 2016.

Response:

The Department does not forecast CPI-W.

SECOND INJURY FUND

14. 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 are added back into 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. According to the DLWD's response to OLS Discussion Points during the FY 2014 budget process, in CY 2013, the department assessed companies approximately \$216 million.

Moreover, the department further indicated to the OLS that the SIF deficit was expected to increase to \$39.6 million in CY 2013. Since the SIF began to go into a deficit balance in 2010, the department has either received a supplemental appropriation (\$17.5 million from the General Fund in June, 2011 pursuant to P.L. 2011, C. 82) or the State has advanced funds

Discussion Points (Cont'd)

to cover benefit programs until sufficient resources are available through the collection process.

Question: a. Please provide, on a calendar year basis for every year from 2005 forward, including an estimate for 2015: 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 VI and VIA.

b. Please provide the number of claimants, and their average SIF benefit, who are receiving second injury benefits, for their own injury, from the SIF for each year since 2004. Please provide the average age of the beneficiary.

Response: See Schedule VII.

c. Please provide the number of individuals who are dependents of injured workers, and their average benefit, who are receiving SIF benefits for each year since 2004. Please provide the average age of the beneficiary.

Response:

The Second Injury Fund (SIF) does not pay workers' compensation benefits to dependents of injured workers. Dependents of deceased workers may be entitled to supplemental benefits paid through the SIF, as shown in the response to question d, immediately below.

d. Please provide the number, and the average COLA benefit, for beneficiaries who are receiving COLA benefits from the SIF for each year since 2004. Please identify the number of beneficiaries who are receiving the benefits for their own injury and the number who are dependents of injured workers. Please provide the average age of these beneficiaries (also identified as injured worker or dependent). Please detail which of these beneficiaries are paid their base workers compensation benefit by a private insurer and their COLA by the SIF.

Response: See Schedule VIII

Discussion Points (Cont'd)

e. The department stated that it was transitioning to a new database in 2014. What is the status of this transition? What are the details of the new system? What were the costs of the system? Over 56 percent of beneficiaries received checks electronically in 2013. What percentage receive checks electronically in 2014?

Response:

The new system's database design phase is nearing completion with table definitions having been established and primary and secondary relationships set. The current tasks are development of the user interface and existing data cleanup. Initial system testing with live data is anticipated to begin in August of 2014 with full implementation by the end of 2014. The system is being designed with an Oracle 11g database and a Microsoft Visual Studio user interface. As all development work has been done in house, the costs have been held down with current cumulative expenses of less than \$30,000. If new server equipment is found to be required, there would be an additional cost of approximately \$6,500. Currently 58% of beneficiaries receive their benefits via electronic deposit.

f. What kind of follow up does the department conduct with Second Injury Fund beneficiaries to determine their social security benefit status? What is the trigger for a beneficiary's status to be verified with social security?

Response:

Social Security benefit status is verified when a beneficiary initially receives SIF benefits and through an annual questionnaire review. There is no specific trigger for benefit verification, but such is performed upon any change in the reported benefit.

TEMPORARY DISABILITY INSURANCE/FAMILY LEAVE INSURANCE

15. 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

Discussion Points (Cont'd)

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 2014 is 0.036 percent.

Question: a. Please provide the value of revenues, benefits, and administrative expenditures, and the cash balance in the SDBF for: each month in calendar year 2013; as many months as possible for calendar year 2014; and an estimate for the remaining months of 2014 and for 2015.

Response: See Schedule IX.

b. Please provide the number of employees that were assessed the TDI Tax in 2013, 2014 and estimated for 2015. Please provide the number of employees that paid or pay the maximum tax in 2013, 2014 and estimated for 2015.

Response:

CY	Total Assessed Employment	No of workers paying the Maximum Tax
CY 2013	2,627,700	1,497,620
CY 2014 (estimated)	2,659,200	1,515,817
CY 2015 (estimated)	2,701,800	1,539,861

c. Please provide the number of employees that are or were provided private TDI coverage through their employers in New Jersey in 2013, 2014 and an estimate for 2015.

Response:

Estimated TDI Private Plan covered employment

CY 2013	676,600
CY 2014	685,200
CY 2015	696,200

Discussion Points (Cont'd)

d. Please provide the number of employers that were assessed the TDI Tax in 2013, 2014 and estimated for 2015. Please provide the TDI tax paid by employers in 2014, by the number of employers that paid that tax.

Response:

Estimated TDI State Plan Employers

CY 2013	215,300
CY 2014	216,400
CY 2015	217,900

Data are not available on the TDI tax paid by number of employers

e. 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 IXA.

f. Please provide an estimate for the TDI assessment to be charged each employee for calendar year 2015.

Response: We estimate that the employee contribution rate will not exceed 0.38%.

16. P.L.2008, c.17 (C.43:21-39.1 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 (\$31,500 in CY 2014).

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

Discussion Points (Cont'd)

assessment is updated on a calendar year basis and the assessment for 2014 is 0.1 percent, equal to the assessment in 2013. 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, by month for: CY 2013 (actual); CY 2014 (actual to date and estimated for the remaining months of the year); and for 2015 (estimated).

Response: See Schedule X.

b. Please provide an analysis of benefits paid by calendar year for the two most recent calendar years available, 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 XI.

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

Response: See Schedule XI.

d. Please provide the number and percentage of total FLI claims made for intermittent leave. Were there any intermittent leave claims approved for reasons other than care for bonding with an infant?

Response:

On average 3% of all FLI claims are Intermittent Claims. The yearly totals are listed below:

Year	Intermittent Claims
2010	1681
2011	1223
2012	1152
2013	1203

Discussion Points (Cont'd)

Intermittent leave claims can be filed for care and for bonding claims. Please note that care claims can be on a day to day schedule, while bonding claims must be in increments of 7 days or more.

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

Response:

Year	Number	Percentage
2011	12,161	39.3%
2012	12,880	41.4%

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

Response:

Estimated FLI State Plan covered employment:

CY	Employees	Maximum
CY 2013	3,748,400	2,171,228
CY 2014	3,793,400	2,197,294
CY 2015	3,854,100	2,232,454

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

Response:

CY	Employees
2013	11,412 (actual)
2014	11,500 (estimated)

Discussion Points (Cont'd)

h. Please provide an estimate for the FLI assessment to be charged each employee for calendar year 2015.

Response:

Based on currently available data we do not anticipate the rate to exceed 0.10% of the taxable wage base.

17. 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.

In response to the OLS Discussion Points during the FY 2014 budget process, the department asserted that 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." It is unclear how not providing the option of direct deposit, in addition to debit cards, expedites the elimination of checks to TDI and FLI beneficiaries. Although the department does provide the option for beneficiaries to have their moneys transferred from their debit card to their bank account, it seems like this is an unnecessary step. Over 56 percent of UI beneficiaries choose direct deposit, if this same percentage of TDI and FLI beneficiaries chose direct deposit, it would be a cost savings to the programs because it is a paperless process. The money would go directly from the State's funds to the beneficiary, there would be no third party and no printing and mailing of the debit cards. Assembly Bill No. 2572 of 2014, sponsored by Assemblyman Green, requires the department to provide beneficiaries with the option of direct deposit for FLI and TDI.

The department initiated a second contract with Bank of America to facilitate the debit cards, beginning August 1, 2013, and according to the department the terms for the debit cards remained the same as the initial contract. The contract provides for unlimited ATM access at Bank of American/Merrill Lynch locations and four free non-Bank of America ATM withdrawals per month. For more details on the terms of the debit cards, please see http://lwd.dol.state.nj.us/labor/tdi/content/debit_faqs.html.

Discussion Points (Cont'd)

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:

For the period of January 1, 2013 through March 22, 2014 pertaining to the Unemployment Insurance program, 262,968 claimants were paid benefits using the debit card option and 308,602 claimants were paid benefits using direct deposit option. For the Disability Insurance program, 84,847 claimants were paid benefits using the debit card and for the Family Leave Insurance program, 18,259 claimants were paid benefits using the debit card. The Disability Insurance and the Family Leave Insurance program also include benefits for Disability During Unemployment and Family Leave during unemployment.

b. How does not providing the option of direct deposit expedite the elimination of checks in the FLI and TDI programs? 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?

Response:

The department determined that due to the technology limitations of the current Temporary Disability Insurance system, which was implemented in 1988 with several modifications since, extensive programming and implementation delays would be encountered. As such, 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 did insist that its banking provider make available the option to permit claimants, if they so desired, to transfer their debit card payment directly to their checking or savings account. The department has no information as to the number of TDI or FLI claimants who chose this option.

The department is considering a complete modernization of the 26 year old Temporary Disability Insurance system. The ability to permit claimants the option to receive benefit payments through direct deposits will be addressed in the modernization initiative.

Discussion Points (Cont'd)

c. What is the annual cost, per piece and in total, of printing and mailing debit cards to beneficiaries?

Response:

There is no cost to the State for the printing and mailing of debit cards to beneficiaries.

d. If balances remain on debit cards issued to TDI and FLI beneficiaries after a certain period of time, do those balances revert or accrue to the debit card vendor? If so, after what period of time do the balances revert? Does the State's contract with the debit card vendor prohibit the State from paying TDI and FLI beneficiaries via direct deposit?

Response:

The balances remaining on debit cards do not revert or accrue to the debit card vendor. Any outstanding balance in the claimant's debit card account would follow the New Jersey Escheat Laws pertaining to the disposition of inactive funds for bank accounts.

There is no provision in the RFP proposal or vendor response prohibiting the State from paying TDI or FLI beneficiaries via direct deposit.

e. Please provide a copy of the current debit card vendor contract for the TDI and FLI programs. What is the timeline of the new contract?

Response:

The award letter of May 22, 2013 to Bank of America Merrill Lynch indicating that all terms, conditions and specifications of the agreement are contained in the cover letter and RFP dated January 22, 2013 and the Bank of America proposal dated March 14, 2013 located in the Department of Treasury, Office of Management and Budget (OMB).

See Attachment II - copy of the award letter of May 22, 2013 and a copy of the vendor's response to the RFP.

The OMB website for the cover letter and RFP dated January 22, 2013 is http://www.state.nj.us/treasury/omb/bankingservices/rfp_dolwd%20collection/index.shtml.

The contract is for a five-year term, commencing October 1, 2013.

Discussion Points (Cont'd)

WORKFORCE DEVELOPMENT

18. 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 (WDPF) and the Supplemental Workforce Fund for Basic Skills (SWFBS); 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 2014 budget, the department reported that spending for individuals in these programs was distributed as follows in the chart below:

	FY 2012	FY 2013	FY 2014 (est)
WDPF - Ind. Grants (DW)	\$8,000,000	\$11,000,000	\$8,000,000
WDPF- Disadvantage-Smart Steps	\$6,000,000	\$4,000,000	\$5,000,000
WDPF - Customized Training	\$16,900,000	\$14,500,000	\$13,000,000
WDPF - OSHA	\$1,600,000	\$2,000,000	\$1,600,000
WDPF - YTTW	\$1,900,000	\$1,760,000	\$2,000,000
WIA - Dislocated Worker	\$32,201,066	\$30,891,644	\$34,164,009
WIA - Adult	\$20,180,226	\$20,260,335	\$20,818,294
WIA - Youth	\$20,362,826	\$20,322,861	\$21,602,153
WFNJ - TANF	\$52,610,984	\$48,392,000	\$48,392,000
WFNJ - SNAP/GA	<u>\$28,745,016</u>	<u>\$29,500,000</u>	<u>\$29,500,000</u>
Total:	\$188,500,118	\$182,626,840	\$184,076,456

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	FY 2012 (Served)	FY 2012 (Rec'd. Training)	Cost per Partici- pant	FY 2013 Projection (Served)	FY 2013 Projection (Rec'd. Training)	Cost per Partici- pant	FY 2014 Projection (Served)	FY 2014 Projection (Rec'd. Training)	Cost per Partici- pant
Workforce Development Partnership Fund	56,005	53,279		74,162	73,624		52,494	49,857	
Customized Training ^{1,2}	51,989	51,898	\$347						
Customized Training – including SWFBS funding 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	1500	1500	\$7,000
YTTW	881	250	\$5,120	660	187	\$5,763	800	200	\$5,000
SMART STEPPS	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 CT program delivered grants with blended funding streams which include SWFBS – 25% funds traditionally deployed separately to employers.

² The CT program numbers reflect actual projects for FY12 and FY13.

³ The revised deployment of the CT program as Skills4Jersey and Recover4Jersey 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 FY 13 as Opportunity4Jersey and soon to be announced Recovery4Jersey-OJT. The numbers are estimated using \$11 million maximum allocation for both programs.

⁵ WIA Adult figures include Self-Service, J4J.com “on ramp” services and in-person WIA funded services.

⁶ WIA cost per person has decreased due to the success and high rate of self-serve and J4J.com “On Ramp.”

Discussion Points (Cont'd)

*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 2013 and how many are expected to participate in job training during FY 2014 and FY 2015. Please indicate how many individuals accessed services other than job training through WDP, WIA and WFNJ during FY 2013 and how many are expected to access services other than job training during FY 2014 and FY 2015. Please provide or estimate this data for FY 2013, FY 2014, and FY 2015 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 XII.

b. Please define the above programs and explain who provides the services, except for Customized Training grants (which are discussed in more detail in Discussion Point #20, below).

Response:

WIA Title I

Services for TANF and General Title I of the Workforce Investment Act (WIA) serves to provide workforce investment activities, through statewide and local workforce investment systems that increase the employment, retention and earnings of participants, and increase occupational skill attainment by participants, and, as a result, improve the quality of the workforce, reduce welfare dependency, and enhance the productivity and competitiveness of the nation. Services include assessment, training and placement assistance.

The WIA has been operational since 2000. Local entities act as One-Stop Operators with the role of overseeing workforce efforts that also include welfare-reform and labor exchange and literacy efforts. Targets overall of WIA are disadvantaged adults, youth and dislocated workers.

The majority of the WIA Title I funding allotted to New Jersey each fiscal year is distributed to the state's 18 Workforce Investment Boards (WIBs). WIA Youth Activities funds must be distributed among local WIBs (subject to reservation of the five percent limitation for statewide workforce investment activities) in accordance with the provisions of WIA Section 128. WIA Adult Activities funds must be distributed among local WIBs (subject to reservation of the five percent limitation for statewide workforce investment activities) in accordance with the provisions in WIA

Discussion Points (Cont'd)

Section 133. WIA Dislocated Worker Activities funds are distributed among local WIBs (subject to the Governor's reservation of up to 25 percent for statewide rapid response activities and the five percent limitation for statewide workforce investment activities) in accordance with the provisions in WIA Section 133.

WorkFirstNJ

Services for TANF and General Assistance/Food Stamp recipients are delivered through the One-Stop Career Center system via a Notice of Obligation to 19 local One-Stop Operators. For the current fiscal year the One-Stop Operators received \$54,253,486 for various participant work activities, case management, Career Advancement Voucher Program, work verification, and needs based work supports. LWD retained \$23,102,514 for case management services, work activities, and On-The-Job Training services. Examples of work activities include OJT, Community Work Experience Program (CWEP), academic remediation, and vocational training.

Opportunity4Jersey (O4J) training program

The O4J program awards grants to qualified training providers who are partnered with New Jersey employers to train dislocated workers for immediate and future job openings within New Jersey's targeted Industry sectors. The training services are provided by a qualified training provider selected by the New Jersey employer(s) with a curriculum selected and approved by the employer. Approved grantees then recruit qualified dislocated worker training candidates from the State's One-Stop Career Centers who certify the eligibility of the training candidates.

Smart STEPS

The Smart STEPS program provides alternative financial assistance to individuals who are otherwise eligible for WFNJ Temporary Assistance for Needy Families (TANF) programs to assist them in obtaining additional education on a full-time basis. The program replaces WFNJ cash assistance payments, support services, and emergency assistance and prevents time from being counted towards the participant's maximum limit of 60 cumulative months of WFNJ program benefits. The Smart STEPS program provided services to the DVRS customers who are otherwise eligible for WFNJ to assist them to obtain additional education.

Youth Transitions to Work (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.

OSHA Safety Training

Training is provided to employers requesting training for their employees. The training is provided by staff of the Labor Standards and Safety Enforcement unit.

Discussion Points (Cont'd)

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

Response: See Schedule XII.

d. 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 2013, estimated for FY 2014 and FY 2015. Please indicate the amounts of WIA and WFNJ funding distributed to local partners, being specific about which local partners received the funding. What level of funding was retained by the State for administrative or separate programming costs?

Response: See Schedule XIII for the WIA allocations and Schedule XIV for the WorkFirst allocations.

e. 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. If there is no evaluation data, please indicate so.

Response:

Customized Training/Skills4Jersey

Refer to responses 21a. and b.

ITAs (Dislocated Worker)

Opportunity4Jersey is a new program and no evaluation data is available at this time. The Opportunity4Jersey program provides funding for innovative partnerships between New Jersey employers, colleges and training providers to meet the need of current and future job openings. The Department has funded 16 partnerships, which include the participation of 114 employers in a variety of industry sectors, including advanced manufacturing, health care and financial services. These partnerships are training 757 individuals in response to employers hiring needs. This employer-driven program is designed to address concerns of not finding qualified workers, as individuals receive training in direct response to actual openings and employers provide input on the training curriculum.

Discussion Points (Cont'd)

Recovery4Jersey OJT

The Recovery4Jersey On-the-Job-Training (R4J-OJT) program provides unemployed job seekers with an edge in the hiring process by offering employers a 50% reimbursement for up to six months to offset the cost of their training. Since its launch (April 15, 2013), more than 400 previously unemployed individuals were offered full-time, permanent, non-commission jobs paying no less than ten dollars an hour. The program has been successful in helping our State's Unemployment Insurance benefits exhaustees overcome the stigma of being long-term unemployed and is a valuable layoff aversion tool at Rapid Response (WARN Notice) events.

Disadvantaged Workers (Employment First)

Please refer to response to question 21h for the Employment First Program.

Smart STEPS

In FY 2013 the program served 338 participants.

Occupational Safety and Health

In FY 2013, 4,624 participants received safety training through this activity.

Youth Transition to Work (YTTW)

In FY13 LWD funded 8 contacts for 7 grantees totaling \$1,077,783 (12/01/12 - 8/31/13). As part of the awareness campaign for YTTW, 2,567 students attended 174 outreach sessions to learn about the program. Of those students, 196 were accepted into the program and 63 were placed into union and non-union apprenticeship programs. In addition, 7 were placed into trade-related employment).

19. 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 2014 budget process, that the payroll tax revenues plus investment earnings would generate

Discussion Points (Cont'd)

approximately \$105 million in FY 2014. The Governor's FY 2015 Budget Recommendation includes multiple language provisions transferring a total of \$75.5 million (72 percent) of the revenue to other purposes, including: \$1.85 million to the New Jersey Youth Corps (page D-233); approximately \$64.7 million total to the Work First New Jersey Programs (pages D-233 and D-210); and \$9 million to Vocational Rehabilitation Services (D-233).

Question: For FY 2013, 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 2014 and FY 2015, 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 2013 forward, the amounts required to be deposited in the accounts for each allocation), and the amount actually spent;**
- 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 XV.

20. 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 (\$31,500 in 2014). 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 (CT) 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.

Discussion Points (Cont'd)

The department estimated, in response to the OLS Discussion Points during the FY 2014 budget process, that the payroll tax revenues, plus investment earnings, would generate approximately \$29.9 million in FY 2014. The FY 2014 Appropriations Act included language authorizing the transfer of \$21 million (70 percent) of this revenue from the fund to: \$2.2 million to the New Jersey Youth Corps (page B-125); and, \$18.8 million to county colleges for operating aid (page B-175). The FY 2015 Budget Recommendation contains identical language authorizing the transfer of \$2.2 million from the SWFBS to the New Jersey Youth Corps (page D-233) and \$18.8 million from the SWFBS to county colleges for operating aid (page D-374).

The 25 percent of funds dedicated to the CT program are primarily used to support the Skills4Jersey and Recovery4Jersey programs into the future. However, of the \$5 million dedicated to CT in FY 2014, \$2 million was diverted to fund a Literacy4Jersey program, a one-time effort to support the Workforce Learning Link programs at 14 One Stop Career Centers throughout the State.

Question: a. Please list by category how the funds from the SWFBS were utilized in FY 2013, FY 2014, and an estimate for FY 2015, using the same format used in Schedule XVIII in the department's response to the OLS Discussion Points during the review of the FY 2014 budget.

Response: See Schedule XVI

b. Please detail how the funding intended for the SWFBS was integrated into the Recovery4Jersey and Skills4Jersey programs. Was all of the 25% dedicated to basic skills CT grants used for these programs?

Response:

The SWFBS award allocation provided to the customized training unit was fully utilized in FY13 across multiple grants. The redeployment of the customized training grant program as Skills4Jersey and Recovery4Jersey allowed for businesses to submit one single application for their training needs. In prior years businesses would have had to submit one application for occupational skills needs and a separate application for literacy needs. The redeployment of the program allowed for a streamlined application process.

Upon review of a Skills4Jersey or Recovery4Jersey application the Department determined which course selections were eligible to be covered by WDP funds versus SWFBS funds. This process followed a first come first serve format until all SWFBS funds were exhausted and only WDP funds remained. The same process has been utilized in FY14.

Discussion Points (Cont'd)

c. Please detail any new programs that will be funded in FY 2014 from the SWFBS monies?

Response:

We do not anticipate any new programs will be funded in FY14 with SWFBS monies.

d. How has the \$18.8 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 2014 FINAL STATE AID ALLOCATION
 STUDENTS ENROLLED IN REMEDIAL COURSES, FALL 2012

	Total Headcount Enrollment, Fall 2012	Remedial Headcount (at least one course)	% in Remedial Courses	FY 2014 Supplemental Workforce Funding
Atlantic Cape	7,523	2,198	29.2%	\$ 777,701
Bergen	17,015	5,075	29.8%	1,825,087
Brookdale	14,637	3,876	26.5%	1,348,426
Burlington	10,071	2,622	26.0%	880,991
Camden	13,807	3,848	27.9%	1,370,135
Cumberland	3,944	1,313	33.3%	558,450
Essex	11,979	4,533	37.8%	1,938,336
Gloucester	6,762	1,830	27.1%	715,801
Hudson	9,397	3,828	40.7%	1,113,530
Mercer	8,873	1,888	21.3%	751,656
Middlesex	12,898	4,417	34.2%	1,723,230
Morris	8,679	2,179	25.1%	866,571
Ocean	10,048	2,474	24.6%	904,796
Passaic	9,782	3,276	33.5%	1,028,886
Raritan Valley	8,398	1,926	22.9%	645,119
Salem	1,279	284	22.2%	226,381
Sussex	3,402	946	27.8%	471,011
Union	12,146	3,254	26.8%	1,363,999
Warren	2,265	588	26.0%	289,894
	172,905	50,355	29.1%	\$ 18,800,000

Source: OSHE Website, Institutional Profiles, September 2013
<http://www.state.nj.us/highereducation/IP/IP2013/index.shtml>

Discussion Points (Cont'd)

21. The Customized Training (CT) program is an employer training program that 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."

The funding for CT grants is generated from the tax allocated to the WDPF and the Supplemental Workforce Fund for Basic Skills (SWFBS). Although 45 percent of funding for the WDPF and 25 percent of the funding for the SWFBS are dedicated to the CT programs, there are numerous diversions from the WDPF and the SWFBS, primarily to the Department of Human Services, and the money dedicated to the statutorily established CT program is being depleted.

In December 2012, after Hurricane Sandy, the CT program and the other employer training programs of the department were "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 Safety Training grants. The department shifted the program to a new format, as Recovery4Jersey, Skills4Jersey and Opportunity4Jersey. According to the department's responses to the OLS Discussion Points during the FY 2014 budget process, employers now apply for one grant for training and the department determines which funding source best meets the needs of the employers' requested programs and allocates the funding in the appropriate manner. The funding sources for these programs will be the sum of the funding that was dedicated to the CT program, (45 percent of the WDPF revenue; 25 percent of the SWFBS revenue), Safety Training Funds (6 percent of the WDPF revenue) and Individual Training Grant funds (31percent of the WDPF revenue). The IT grant funds (25 percent of the WDPF revenue) will only be used for Opportunity4Jersey awards.

Skills4Jersey is the primary employer training program and is intended to mirror the traditional CT programs. These training programs are generally focused on upgrading the occupations, literacy and safety skills of their current employees and training new workers for purposes of retaining highly skilled and high wage jobs in the State. Approximately \$15 million in grants were awarded to 169 grantees in FY 2014. These funds were intended to train 70,622 employees and 23,866 new hires.

Recovery4Jersey in FY 2014 is "a program offering wage reimbursements to New Jersey employers who take on and train unemployed workers. Companies may build up their businesses and offset their hiring costs through Recover4Jersey, which will directly reimburse employers for 50 percent of a new hire's wages, up to \$10,000 for three to six months. The new employee obtains on-the-job training to learn new talents or improve existing skills, while the employer defrays the cost of training new people brought into the company."

Discussion Points (Cont'd)

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, but only \$440,000 was approved in grants, of which \$2 million of those funds were refocused to train qualified dislocated and disadvantaged workers with disabilities. The remaining \$1.6 million was to be used for another round of grants in FY 2014.

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 FY 2011 and FY 2012 the Recovery4Jersey (R4J) On-the-Job training (OJT) program was not in existence.

FY 2013 (April 15 – June 30)

Amount Awarded	\$ 201,401
Number of New Hires	30
Average Cost per Trainee	\$ 6,713

To make a fair and equitable comparison the customized training and literacy training grant charts listed below should be combined in order to explain the full amount of grants issued by the Office of Customized Training when compared with the Skills4Jersey customized training program of FY13.

Customized Training Grants				
Fiscal Year	# of Grants	Grant Amounts	Est. # of Trainees	Average cost per Trainee
2011	367	\$17,473,199	48,605	\$359.50
2012	225	\$18,025,182	51,989	\$346.72

Literacy Training Grants				
Fiscal Year	# of Grants	Grant Amounts	Est. # of Trainees	Average cost per Trainee
2011	27	\$1,521,350	4,755	\$319.95
2012	32	\$4,611,330	11,746	\$392.59

SKILLS4JERSEY Training Grants				
Fiscal Year	# of Grants	Grant Amounts	Est. # of Trainees	Average cost per Trainee
2013	224	\$18,444,300	53,837	\$342.60

Discussion Points (Cont'd)

b. Please provide an up-to-date program description for Skills4Jersey, Recovery4Jersey and Opportunity4Jersey in FY2014 and planned for FY2015.

Response:

SKILLS4JERSEY

This is the Department’s incumbent worker training program and supplies matching grants to employers for the purpose of training their existing workforce.

RECOVERY4JERSEY

This was the name given to special Skills4Jersey customized training grants in FY13 that allowed employers to request larger sums for training per employee. Due to the limited response this program transitioned into the Recovery4Jersey OJT program.

In April of 2014 the Department launched a new OJT program utilizing the same title “Recovery4Jersey – OJT”. This program supplies employers seeking new hires resulting from or for the purposes of recovery post Superstorm Sandy. The funding source for this OJT program comes from WDP-Dislocated worker funds.

Recovery4Jersey (R4J) On-the-Job Training (OJT)

The Recovery4Jersey OJT program encourages employers to hire from the unemployed by assisting with the costs of training new workers. In exchange, former job seekers get a full-time job and an opportunity to learn a new skill while employers rebuild their businesses and reimbursement for half of the new hire’s salary (up to \$10,000) for up to six months. (Positions must pay at least \$10.00 an hour and cannot be commission based.)

FY 2014

Amount Awarded	\$3,000,000
Number of New Hires	388
Average Cost per Trainee	\$ 6,617

The Program is not changing in FY 2015. Our projected numbers are:

FY 2015

Amount Awarded	\$3,000,000
Number of New Hires	450

Discussion Points (Cont'd)

OPPORTUNITY4JERSEY

The O4J program supplies grants to approved training providers working in direct partnership with New Jersey employers to supply training to eligible WDP-dislocated workers to fill immediate and future job openings in the State's targeted industry sectors.

All grant programs described above are expected to operate in the same fashion in both FY14 and FY15.

c. Please list each of the grantee's names, their location, 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 attachment III - Skills4Jersey Grant awards

Recovery4Jersey (R4J) On-the-Job Training (OJT) -

There are 388 grants (as of March 21, 2014) that have been awarded with a maximum value of \$10,000. (A detailed list of the OJT grants is available upon request.)

Opportunity4Jersey (O4J) training program

The O4J program was launched in mid-FY13. The first grant awards took some time to develop. As such only one grant was approved with FY13 funds. Remaining approved grants were then launched at the beginning of FY14. The FY14 O4J grants are listed below.

Discussion Points (Cont'd)

FY14 Opportunity4Jersey					
Company Name	Grant Amount	Estimated Trainees	Projected New Hires	Had a Previous Grant through	Location
Workforce Advantage	\$290,000	100	100	Y	Union
Gloucester County College	150,000	25	25	Y	Gloucester
Kaizen Technologies, Inc.	\$204,000	34	34	Y	Middlesex
Camden County College	\$100,000	25	25	Y	Camden
The Institute for Health Education	\$299,112	88	88	Y	Hudson
America's Mortgage Institute	\$300,000	50	50	Y	Camden
Middlesex County College	\$150,000	30	30	Y	Middlesex
Middlesex County College	\$39,937	10	10	Y	Middlesex
Atlantic Cape Community	\$50,940	12	12	Y	Atlantic
Union County College	\$108,000	18	18	Y	Union
Salem County Vo. Tech. Schools	\$300,000	80	80	Y	Salem
Gloucester County College	\$150,000	25	25	Y	Gloucester
American School of Business	\$300,000	50	50	Y	Essex
Globecon Group Holding, ILC	\$291,600	50	50	N	Hudson
Rutgers, The State University	\$767,284	150	150	Y	Middlesex
American Institute	\$40,000	10	10	Y	Passaic
16	\$3,540,873	757	757		

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

Response:

Opportunity4Jersey (O4J) training program

The results for FY13 and FY14 are as follows: Number of students completing training 51. Number of placements YTD is 19. The program results stand at a 38% placement rate however it must be noted in several cases the students recently completed training and are actively interviewing for jobs.

Skills4Jersey awards are expected to train 30,217 trainees/employees. Recovery4Jersey awards are expected to train 30 participants in FY13 and 388 in FY14.

Discussion Points (Cont'd)

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

Response:

O4J

FY14 received 39 completed applications and approved 16 grants.

Skills4Jersey

FY13 received 279 completed applications and approved 224 grants.

FY14 received 125 completed applications and approved 114 grants.

f. How much funding is remaining for the rest of FY 2014 and anticipated for FY2015 for these programs?

Response: See Schedules XV and XVI.

g. What are funding streams dedicated to each of these programs in FY2014 and anticipated for FY 2015?

Response: The Skills4Jersey and the Recovery4Jersey programs used the Customized Training funding stream.

h. Please detail who received the \$2 million refocused from SWFBS to train qualified dislocated and disadvantaged workers with disabilities. Were these competitively bid grants? Was this money used for existing programs or new programs? What will be the funding source for these programs in FY 2015?

Response: The grants were issued via a Notice of Grant Opportunity. See the list below for the grantees receiving these funds. The funding source for this program is the WDP Disadvantaged Worker's pool. The funding did not come from the SWFBS. Should the program be continued in FY 2015 we will likely use the same funding source. The grants shown below are new programs.

Discussion Points (Cont'd)

Employment First 4 Jersey	Industry Sector	Amount	Area Served
Abilities of Northwest Jersey	Retail	\$120,000	Sussex, Warren
Arc of Bergen & Passaic	Transportation	\$100,00	Bergen, Passaic
Arc of Ocean County	Healthcare	\$29,890	Ocean
Care Plus NJ, Inc.	Hospitality	\$115,500	Passaic
Career Opportunity Development, Inc.	Retail	\$180,000	Atlantic
Community Quest	Healthcare	\$249,000	Atlantic, Cape May, Cumberland
Fedcap	Hospitality	\$250,000	Essex
Goodwill Industires of Southern NJ, Inc.	Retail	\$247,000	Camden, Burlington
Goodwill Industries of NY & Northern NJ, Inc.	Hospitality	\$250,000	Hudson
Hydro Sun Farms	Entrepreneurial	\$100,000	Monmouth
Jewish Family & Children's Services	Hospitality	\$77,128	Camden, Burlington, Gloucester
North Jersey Friendship House	Healthcare	\$240,000	Essex, Bergen, Hudson
Northwest Essex Community Healthcare, Inc.	Transportation	\$143,201	Essex
Occupational Center of Union County	Retail	\$150,000	Union
Raise Hope Foundation, Inc.	Financial Services	\$144,000	Essex, Bergen, Hudson
Waters & Sims Employment Services, Inc.	Retail	\$96,000	Monmouth, Ocean
Total	16	\$2,391,719	

22. 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 2014 budget process, the department stated that the Division of Workforce Grant and Program Management (WGPM), uses WARN Act notices (federal and State requirements for businesses of a certain size, who are closing their business, to contact State and federal employees prior to closure) and departmental business notifications to monitor grantees beyond the conclusion of their grant. Since 2008, WGPM has received 543 notices concerning businesses that will experience employment changes. Only 37 of those businesses had received grants, and only one was outsourcing jobs or relocating from New Jersey.

In response to the OLS Discussion Points during the FY 2014 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 form. From 2003 through 2012, OIA opened 380 audit cases, and closed 349 of them. A total of \$646,667 in Customized Training funds was recovered via the audit process during that time.

Discussion Points (Cont'd)

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 2014 budget process, the department stated that the Department of the Treasury is responsible for insuring implementation of the act, but had yet to finalize rules and regulations to do so. However, the department does require the completion of a "development Subsidy Job Goals Accountability Act" form from each grantee who received a grant in the amount of \$25,000 and above in accordance with the act. Additionally, the Office of Management and Budget (OMB) compiles a list of grantees who have cumulatively received \$25,000 or more from more than one State agency and OMB assigns a cognizant, or appropriate State agency to oversee or monitor these grantees.

Question: a. Has the system the department uses to monitor grantees after the conclusion of their grant been changed in the previous fiscal year? Do the departmental business notifications capture all relative business changes? Are these notifications from employers or other departments?

Response:

The system the Department uses to monitor grantees has not changed.

The Department continues to utilize WARN notices and departmental business notifications to monitor grantees beyond the conclusion of their grant. The notifications are both from employers as well as other Departments or units within LWD.

b. 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 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 "other" internal reports used to monitor grantees are the grantee dashboards. This tool was implemented with all contracts from FY13 forward. Each grantee is required on a monthly basis to submit a report "dash boarding" what sponsored classes they have held, the number of cohorts and people trained, and accumulating

Discussion Points (Cont'd)

YTD status in order to stay on pace for full utilization of the grant award. The dashboards are submitted monthly to the assigned Business Representative for each grantee. Currently all FY12 grants are now closed. Only FY13 and FY14 grantees are open. At this time there are over 300 open and active grants.

As outlined in the question / statement only one grant has ever been repaid due to the requirements under the Job Goals Accountability and Subsidy Act. The repayment was for \$93,000 from a grant issued in FY10.

c. 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 2013, OIA has opened 414 audit cases. Of these, 369 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 2013, a total of \$877,895 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 35 grants were recovered via the audit process.

Discussion Points (Cont'd)

<u>FY</u>	<u>Amount</u> <u>Received</u>
2003	\$ 4,256
2004	4,400
2005	5,224
2006	142,785
2007	894
2008	323,802
2009	135,076
2010	55,523
2011	179,727
2012	26,208
Total	\$ 877,895

d. Please provide data on the monitoring efforts of “The Development Subsidy Job Goals Accountability Act.” Please provide the number and grant amounts of those grantees that are currently 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:

As explained in the FY 2014 responses it is the Department of Treasury who is the party responsible for the tracking and monitoring efforts under the Development Subsidy Job Goals Accountability Act.

e. How many cognizant grantees, who received total funding in excess of \$25,000, did OMB provide to the department in FY 2013?

Response:

For Fiscal Year 2013 the department was the cognizant agency for 61 grantees for all funding sources within the department.

23. With the exception of certain programs, most proprietary or vocational schools who operate in New Jersey are licensed by the Training Evaluation Unit (TEU) within the Center for Occupational Employment Information (Center) within the Department of Labor and Workforce Development. Furthermore, in order for a school to receive State or federal funding, the school must be included on the State Eligible Training Provider List and provide certain information to be published by the Center in a consumer report card available on line at <http://www.njtopps.com/>.

Discussion Points (Cont'd)

The TEU, in conjunction with the Department of Education's Bureau of Program Review, is responsible for evaluating and approving private vocational schools, out-of-state private vocational schools and correspondence schools that wish to operate within New Jersey's workforce readiness system. All approved providers require annual reviews in order to maintain continued approval. Any school "which does business in New Jersey and which recruits adult students from the general public; charges tuition and/or fees; offers instruction to a group or groups of four or more adult students at one time; and offers preparatory instruction for entry-level employment or for upgrading in a specific occupational field" must complete a private vocational school initial application. The application and the various checklists and forms can be found at the following website <http://lwd.dol.state.nj.us/labor/lwdhome/coei/teu.html>.

However, in order to be eligible to receive State or federal job training funds, the school must also be included on the State Eligible Training Provider List (SETPL) established by P.L.2005, c.354, s.14 (C.34:15C-10.2). The SETPL is a list maintained by the Center of approved training providers and entities on the list are required to share certain information about trainees. P.L.2013, c.208 expanded the information that schools must provide to the State to include, but not be limited to, the participant's Social Security number, gender, date of birth, date of enrollment, any date of completion, date of termination, date of start in a job, date of application for a license, licensing examination result, date of issue of a license, and any credentials issued. Additionally, the school must provide information to the Center for use in a consumer report card, such as: the number of enrollees; the completion rate; placement in employment information, including the names and locations of employers where placements are made; licensing information; examination results; enrollee demographic information; and information showing the long-term success of former trainees of each provider and school in obtaining permanent employment and increasing earnings over one or more time periods following the completion or other termination of training, including a period of two years following the completion or other termination of training. All of this information is required to be available to the general public and be placed on a website that is accessible at <http://www.njtopps.com/>.

The Center was given the responsibility for maintaining the SETPL pursuant to P.L.2005, c. 354 (C. 34:1A-86). According to the Center, the school must submit evidence of approval from an appropriate government entity to the Center in order to be included on the SETPL. Appropriate government entities include the following: Board of Cosmetology; Board of Nursing; NJ Board of Real Estate Appraisers; the Federal Aviation Administration; the Motor Vehicle Commission, the New Jersey State Police; the Office of the Secretary of Higher Education and the New Jersey Departments of Education, Health, Banking and Insurance, Labor and Workforce Development and Environmental Protection. If a school is not covered by an agency then the TEU reviews the school as a private vocational school through the application process as outlined in paragraph 2 of this Discussion Point.

Discussion Points (Cont'd)

Furthermore, there are eight proprietary (or for-profit) institutions with degree granting authority for certain programs offered by the school. The degree granting authority is conferred by the Office of the Secretary of Higher Education http://www.state.nj.us/highereducation/colleges/schools_sector.shtml. All of these institutions had to follow the same steps for licensure as any other college or university would have to complete to become a degree granting institution. Those steps are clearly explained on the Office of the Secretary of Higher Education's website and can be accessed at <http://www.state.nj.us/highereducation/documents/pdf/Licensure/LicensureRules.pdf>.

Question: a. Please provide the number of vocational/proprietary schools that were reviewed and approved by the TEU in FY 2013, thus far in FY2014, and estimated for FY2015.

Response:

FY2013: 305

FY2014: 295

FY2015: the trend over the last several years has been a modest decline in active schools, so further regression is likely. We estimate 285-290

In addition to these vocational/proprietary schools TEU also approves a group of not-for-profit organizations that contribute to the public workforce system. On a rolling basis there are about 75 total organizations that are approved every two years.

b. Please provide the number of staff dedicated to the vocational/proprietary school reviews. Are these staff of the TEU or the Department of Education? What is the amount and source or sources of funding for the staff that conducts the approval process for vocational and proprietary schools? Is the TEU jointly funded by the Departments of Education and Labor and Workforce Development? What is the monetary contribution of each department.

Response:

There are 2.7 FTEs charged to this activity at LWD. These FTEs are supported by Workforce Development Partnership budgeted at \$339,500.

c. Please provide a budget and funding source for the Center for Occupational Employment. Please detail how many staff are dedicated to the Center's

Discussion Points (Cont'd)

activities and include the number that are dedicated to maintaining the Consumer Report Card available at www.njtopps.com.

Response:

The Center of Occupational Employment Information (COEI) is supported by Workforce Investment Act funding with an annual budget of \$253,471 and 2.5 FTEs. From the 2.5 FTEs, 2.0 FTEs are dedicated to Consumer Report Card.

d. Please update the Legislature on efforts to collect the increased data required pursuant to P.L.2013, c. 208. How many, if any, training providers been notified that they are not in compliance with the record keeping requirements? How many, if any, training providers have been removed from the SETPL due to non-compliance?

Response:

Meeting the reporting requirements of P.L.2013, c. 208 will require a technical overhaul of the njtopps website as the site is currently designed to display only the information that was required prior to the passing of P.L.2013, c. 208. The department is in the process of exploring its options to make the technical changes required. The department is also in the process of drafting regulations to enact the reporting requirements of P.L.2013, c. 208.

24. 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 and incentive programs.

The site has been available for both job seekers and employers since April, 2011 and as of March, 2013 had a total of 195,831 individual registrations using the site. In its response to the OLS Discussion Points during the FY 2014 budget, the department stated that it conducts an employer outreach program through employer groups, talent networks and through job fairs and hiring events, as well as through an employer hotline. The website was funded with federal ARRA funds, federal Wagner-Peyser grants, and a one-time federal "Green-Grant" initiative.

Discussion Points (Cont'd)

Question: a. Please provide the number of individuals who have created an account on Jobs4Jersey.com to search for employment by calendar year since inception.

Response:

<u>Registrations</u>	<u>Module Launch Date¹</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014 through March 30th</u>	<u>2011 through 3/2014 Total</u>
Job Seekers	July 2011	38,229	126,862	103,453	21,402	289,946
Employers	August 2012	N/A	3,708	5,860	1,187	10,755

1 - While Jobs4Jersey.com was launched in April 2011, the job seeker module allowing the creation of resumes and matching their skills against the jobs database was initiated in July 2011. The employer module was launched approximately one year later after the resume database had been built to over 100,000 resumes representative of the labor market spectrum.

b. Please provide the number of jobs advertised on Jobs4Jersey by calendar year since inception.

Response:

The jobs database is dynamic changing daily; we do not currently have a way to discern how many new jobs were posted during a discreet calendar year.

"OnRamp" Jobs as of Sunday, March 30, 2014

Current jobs listed within 60 Days in NJ: 108,992

Current jobs listed within 60 days outside NJ, but within 50 miles of State border: 192,597

c. Please detail the funding sources currently used to maintain the site. Please address plans to secure new funding in the future.

Response:

The funding source is allocated across the various Workforce programs (i.e. WorkFirst, WIA, ES and WDP).

Discussion Points (Cont'd)

25. 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 are 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.

According to the Governor's FY 2015 Budget Recommendation, the DLWD anticipates approximately \$123 million in FY 2015 (page C-21) 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.

Question: a. Please detail the WIA funding received and retained at the State level in Program Years 2012, 2013, and 2014. Please detail the uses of these funds, including the names of recipient organizations or programs.

Response: See Schedule XVII.

Discussion Points (Cont'd)

b. Please provide the following data: 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 XIII.

c. Has the department previously applied for and/or received any discretionary federal WIA grant monies in FY 2013 or FY 2014? Does the department anticipate applying for any discretionary federal WIA grants for FY 2015. If so, please provide information on these grant applications, including budget and program proposal.

Response:

The Dislocated Worker Training National Emergency Grant is a U.S. Department of Labor funded grant through the Secretary of Labor's Discretionary Fund. The New Jersey Department of Labor and Workforce Development (LWD) applied for and received \$2.5M to be used for skill building and placement opportunities specifically focused on the advanced manufacturing industry in New Jersey. The grant offers on-demand training to match employers with jobseekers.

26. One-Stop Career Centers (OSCCs) are designed to provide a full range of assistance to job seekers under one roof. Established under the Workforce Investment Act, the centers offer training referrals, career counseling, job listings, and similar employment-related services. Customers can visit a center in person or connect to the center's information through PC or kiosk remote access.

Many of the workforce development training programs in New Jersey are accessed and managed through the 34 OSCCs located in all 21 counties in the State. The OSCCs are funded through a variety of State and federal sources. Each OSCC is unique in the services it offers and therefore its funding sources.

Overall, most OSCCs offer consumers the ability to access unemployment insurance staff (federally funded), employment services (State and federal funding), and other Social Service programs. However, research indicates that the OSCCs are not uniformly operated, and within each center, are not centrally managed. That is, each service provided at the center has its own manager, either on site or by region.

Question: Please provide, for each OSCC location, the annual budget and funding sources for the OSCC. For each OSCC, please indicate: the programs or services provided on site, a description of each program or service, and the

Discussion Points (Cont'd)

number of staff. How is it determined which services or programs to provide or exclude from the individual centers?

Response:

The core of the One-stop Career Centers is the Workforce Investment Act program. Please refer to Schedule XIII for the allocations.

27. 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 to determine whether each of the State entities whose performance it monitors has 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 as required by that law. This unit, transferred to the DLWD in 2012, but formerly within the Division of Purchase and Property in the Department of the Treasury, monitors the New Jersey Builders Utilization Initiative for Labor Diversity (NJBUILD) program to ensure that the set-aside is used 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.

In response to the OLS Discussion Points during the FY 2014 budget process, the department detailed the following five programs that were funded or anticipated to be funded by the department with NJ BUILD funds in FY 2012 through FY 2014: \$885,000 for an

Discussion Points (Cont'd)

Individual Training Account program for women and minorities in the construction trades (118 workers in FY 2012 and FY 2013); \$1 million scholarships for women and minorities to enter degree programs related to the construction trade (FY 2014); \$560,000 for retention services in competitive NGO's (FY 2014); \$2 million to grantees to "focus on a holistic program for employer driven trades" (FY 2014); and \$560,000 in the On the Job Training component of NJBUILD (FY 2014).

The FY 2015 Budget Recommendation contains language authorizing the appropriation of \$460,000 from the NJ Build Fund for Administration and Support Services (page D-223), a \$10,000 increase over the amount appropriated for this purpose in the current year. According to the department, this funding is to support the six staff members and related costs of the Office of Contract Compliance and Equal Employment Opportunity in Public Contracts.

According to the State accounting system the NJ Build account has approximately \$4.5 million in uncommitted funds as of February 14, 2014. In response to the OLS Discussion Points during the FY 2014 budget process, the department reported that approximately \$13.5 million collected for the NJ BUILD fund had not been used for its intended purpose, but rather was lapsed to the General Fund from FY 2010 through FY 2013.

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

Response: See Schedule XVIII.

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, in FY 2015.

Response:

Our plans depending on the availability of NJ Build Funding are as follows:

1 - Continue the Helmet to Hardhats (H2H) programs at an estimated amount of \$210,000. We estimate this grant would serve about 40 participants;

2 - Continue to provide State matching funds (\$100,000 per grantee) to two Youth Build programs that have been funded by the US Department of Labor.

Discussion Points (Cont'd)

Total State and federal funding for the Youth Build program are expected to serve about 170 participants;

3- Issue a Notice of Grant Opportunity to seek new and innovative programs to train and place women and minorities in the various construction trades.

4- Continue the Individual Training Accounts (ITA).

c. Please provide the approximate budget for each of the five programs implemented with NJ Build funding from FY2012 through FY 2014. Please provide any evaluation or completion data for programs from FY 2012 through FY 2014.

Response:

The NJBUILD Program has included multiple components over the years. During FY 2009-2010 the program consisted mainly of Individual Training Accounts (ITAs). In FYs 2011-2012 NJBUILD was expanded to include ITAs, the Women Build program, NJBUILD Newark, and a Consortium Training program. In FYs 2013-2014 the ITAs continued. In FY 2015 there are new programs proposed.

Program	Contract Period	Number of grants	Total funding obligated	Total expended	Trained	Graduated	Placed in construction jobs	Notes
Women Build Pilot	FY2012	2	\$600,000	\$411,089	28	25	8	9 placed in non-construction jobs
NJBUILD Consortium Training	FY2012	4	\$760,000	\$675,026	78	64	38	13 placed in non-construction jobs
NJBUILD Newark	FY2013	2	\$300,000	\$236,411	43	39	26	10 placed in non-construction jobs
ITAs	FY2012 and FY 2013	138	\$847,455	\$714,008	101	101	25	44 placed in nonconstruction jobs
ITAs (year to date March)	FY2014	38	\$221,250	\$28,200	3	0	0	Most training is in progress.
Helmets2Hardhats	FY2014	1	\$210,000	\$0				Training began 3/1/14
Youth Build State match	FY2014	2	\$200,000	\$0	0			Training in progress

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

Response:

At this time we do anticipate any unexpended or unobligated balances.

Discussion Points (Cont'd)

e. 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 XVIII.

28. P.L.2009, c. 200 established the New Jersey Pathways Leading Apprentices to a College Education (NJ PLACE) program in the State Employment and Training Commission. This program, in part, facilitated the placement of individuals in apprenticeship programs that were transferred as academic credit towards the completion of associate degree programs and in certain instances, baccalaureate degree programs. The law also required public institutions of higher education, in consultation with the NJ Commission on Higher Education and the NJ Presidents council, to establish and enter into a collective Statewide transfer agreement to provide for the "seamless" transfer of apprenticeship-related associate degree credit to baccalaureate degree programs, with the Statewide agreement to be fully operational by September 1, 2011. P.L.2009, c.200 authorized the use for NJ PLACE of WIA and WDP funds, while P.L.2009, c.313 authorized the use for NJ PLACE of available NJBUILD funds (of which \$13.5 million, as noted in Discussion Point 27 above, was lapsed into the General Fund.

NJ PLACE was coordinated by Rutgers University and had begun in 2004 "with the backing of some government entities, a few registered apprenticeship partners and a handful of interested community colleges. In the years since, NJ PLACE has grown to include 12 apprenticeship partners, all 19 New Jersey community colleges, several key state and federal government stakeholders, and Rutgers, the State University of New Jersey." In August 2012, NJ PLACE was honored by the United States Department of Labor as a 21st Century Apprenticeship Trailblazer and Innovator.

Although NJ PLACE was highly successful, the State Employment and Training Commission discontinued the program as of January 1, 2014, transitioning parts of the initiative to the SETC.

Question: a. Please provide the total amount of funding for NJPLACE provided by the department since inception. Please provide which account or funding stream supported NJPLACE, specifying the amounts of any funds from WDP, WIA, or NJBUILD programs, or any other source.

Response:

Total funding used for the NJPLACE program was \$1.3 million. Funding for NJPLACE was derived from the Workforce Development Partnership Fund.

Discussion Points (Cont'd)

b. Please explain why NJPLACE was discontinued, and detail a plan for the individuals who are currently enrolled in apprenticeships and wish to gain academic credit for these apprenticeships.

Response:

A. Current Program Operation

- The program has not been discontinued. As of January 2014, the NJPLACE program (NJ Pathways Leading Apprentices to a College Education) is being administered by the SETC. The intention is to re-engineer NJPLACE to ensure its viability and strength as a critical workforce strategy for the 21st Century.
- The operation of NJPLACE is housed within the SETC, under the direction of the Executive Director and an SETC staffer with significant experience with NJPLACE and labor unions. This is the interim plan to allow for input into the program redesign by the unions, community colleges and other pertinent partners, targeted for full launch with the new program year, July 2014.
- Individuals currently enrolled and /or interested in NJPLACE, community partners and programs are directed through the website, referral resources and phone directory to the SETC staff person, assigned to support NJPLACE. A primary NJPLACE email address was established with the SETC and both SETC and NJPLACE websites were updated to reflect the changes.
- Student inquiries are managed by the SETC Staff assigned to NJPLACE with support of the extensive NJPLACE informational website; a process very similar to that established by the former vendor. Although no funding was available, the SETC chose to redeploy existing staffing resources to provide interim leadership for NJPLACE to ensure that current and future students had access to the program during this period of revision.
- The SETC staff person assigned responsibility for managing NJPLACE has assisted approximately 23 inquiries from current and prospective students during the past 3 months.
- The community college agreements and credit evaluations are in effect for those currently enrolled in NJPLACE and/or apprenticeship programs during the active evaluation period (2007-2010). This is a verbal agreement with the President's Council to continue to honor the credits through 2013, despite the expired credit evaluations for most of the apprenticeship programs.

Discussion Points (Cont'd)

B. Decision to Transition and Re-Design NJPLACE

NJPLACE is in need of a re-engineering due to program underutilization and minimal program outcomes during the past 3 years. Outlined below:

- *Low program participation:* With minimal data tracking methods in place among the NJPLACE partners, best estimates show an annual average of 120 inquiries (7 per month) for NJPLACE through the previous vendor (2010-2013).
- *Expired credit evaluations:* Credit evaluations with the Community Colleges for six out of eight labor unions, expired in 2010. While the Community Colleges informally agreed to honor the evaluations for those currently enrolled, there was no articulated plan for renewal with the expired contracts, putting current and future participants in jeopardy of not receiving the credit for college level learning. Significant note: Over the past four years, the vendor did not allocate NJPLACE funds or request additional money to offset credit evaluations, as had been done in NJPLACE's inaugural year.
- *Limited outreach to Community Colleges and additional industries:* The capacity to support NJPLACE must be re-established within the Community Colleges, Apprenticeship programs (including and beyond the building trades) and additional feeder programs. These strategies will work to reverse the declining trend and ensure NJPLACE's future viability and statewide accessibility. Furthermore, it is critical that credit evaluations are current, expanded to all key industries and information is readily accessible to students.

c. Please detail which parts of NJPLACE will be continued by the SETC. For the parts of the NJPLACE program to be continued, please provide a budget for the program(s) and the name of a contact person within the SETC.

Response:

A. SETC Points of Contact - Please contact the SETC at 609-633-0605 or by email: njplace@dol.state.nj.us.

B. Budget - The activities of the program will be incorporated within the LWD operating budget.

C. Future of NJPLACE - In addition to managing and maintaining the current program, the SETC is executing the following initial steps to re-vitalize NJPLACE:

Discussion Points (Cont'd)

- 1. NJPLACE Leadership Advisory Board:** Launch advisory board comprised of leaders from community colleges, labor unions, other industry apprenticeship programs and state agencies; to provide the policy guidance and investment strategies based on partner needs. Preliminary recruitment has already begun with the first meeting scheduled for spring. Recommendations for program investments will be made to the Commission and LWD at a future Commission meeting.
- 2. Build Community College Capacity:** Provide technical assistance, training and ongoing updates to community colleges to ensure that career counselors and front line staff are educated and invested in promoting NJPLACE to prospective, eligible students.
- 3. Credit Evaluation Investments:** The SETC (in partnership with LWD) will release a Notice of Grant Opportunity for Apprenticeship programs to apply for funds to have their programs evaluated or re-evaluated for college credit. The application will be a competitive process with a 20% match required by the applicant (avg. cost of apprenticeship evaluation = \$10,000). Target release date is late spring 2014.

VOCATIONAL REHABILITATION

29a. The Governor's FY 2015 Budget Recommendation provides \$42.416 million in Grants-in-Aid funding for Vocational Rehabilitation Services, of which \$9 million is appropriated through budget language, from the Workforce Development Partnership Fund (D-233) and \$14.114 million is appropriated from the Unemployment Compensation Auxiliary Fund (D-233). The recommended appropriation increase of \$5.54 million reflects a plan developed by the Commissioner of Human Services and the Commissioner of Labor and Workforce Development for a shift of all sheltered workshop services between departments. This is discussed in more detail in Discussion Point 29b.

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.

Discussion Points (Cont'd)

Question: For FY 2013, FY 2014 and anticipated for FY 2015, 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			
Name	2013	2014 (est)	2015 (est)
Vocational Rehabilitation Services -DSS	\$ 2,446,000	\$ 2,446,000	\$ 2,633,000
Extended Employment (EE) Transportation	2,927,888	2,826,592	2,826,592
Supported Employment Services	4,411,626	5,473,648	5,473,648
EE Employment Program	21,251,088	21,286,236	21,286,236
Individuals with hearing loss	169,998	170,000	170,000
Independent Living Centers	661,345	633,524	633,524
In Service Training (State match)	4,000	4,000	4,000
Services to Clients	5,254,056	4,286,000	4,286,000
SW Transportation - CRF	2,196,000	2,196,000	2,196,000
Total VR Services Grants in Aid	36,876,000	36,876,000	36,876,000
Total VR Budget (1)	\$ 39,322,000	\$ 39,322,000	\$ 39,509,000
(1) Does not reflect transfer from DHS			

29b. As stated previously, the FY 2015 Budget Recommendation includes a \$5.54 million increase in Grants-in-Aid funding for Vocational Rehabilitation Services. This increase reflects the implementation of a plan required by language included in the FY 2014 Appropriations Act (see page B-117 of the FY 2014 Appropriations Handbook). The language directs the Commissioner of Human Services and the Commissioner of Labor and Workforce Development to jointly develop a plan for the transition of extended employment services, also referred to as Sheltered Workshop services, and related ancillary services from the Department of Human Services (DHS) to the Department of Labor and Workforce Development.

The language was necessary because DHS had developed new guidelines that proposed eliminating the funding for clients who chose to be employed in extended employment programs, as opposed to community settings during the day. The language required that all clients currently choosing to be employed in extended employment programs and receiving services from DHS must continue to be able to access extended employment programs and be provided transportation to these programs. Additionally, any new clients served by DHS must be provided with the opportunity to access extended employment programs and be provided transportation to these programs.

The departments' plan must provide for changes to current structures that may inhibit the clients of DHS services from accessing DVR services. For example, regulations (N.J.A.C.12:51-4.1 and 12:51-8.1) currently provide that clients enrolled in extended

Discussion Points (Cont'd)

employment through DVR funding must meet a 20 percent production rate. Some clients, who are currently being served by DHS, do not meet the 20 percent production rate. Although the commissioner has the ability to waive these requirements for a one time transfer of clients from DHS to DVR, the budget language directed that future clients also have the choice of extended employment, which will require a long term plan be put in place to serve new clients.

Question: a. Please provide the written plan created by the commissioners to provide for the transition of extended employment and ancillary services from DHS to DOLWD.

Response:

On February 20th we submitted a plan to the chair of the Budget Committee and we will continue to work with the legislature to finalize the plan.

b. Please provide any additional costs incurred by DOLWD to facilitate the placement of clients into extended employment coordinated by DOLWD, as opposed to DHS.

Response:

We will incorporate the program within our other State funded activities.

c. What have been the ancillary costs for these clients to transition to DOLWD from DHS?

Response:

Since the program has not yet transitioned to the LWD it is too early to determine the ancillary costs.

d. What are the transportation costs, total and per individual, for those clients who will be transferred from DHS to DOLWD?

Response:

The DDD proposes to transfer transportation funding for participants currently receiving transportation. A total of \$1,457,448 is being transferred for 569 participants.

Discussion Points (Cont'd)

e. What is the department's estimate for the number of new clients who will choose extended employment each year and the related costs for those clients?

Response:

The DVRS will use \$25,082,380 (\$20,999,828 from LWD and \$4,082,552 from the DHS transfer) to fund an estimated 3,378 extended employment slots.

f. What are the anticipated future transportation costs for clients? How will this be funded?

Response:

Since the DHS program has not yet transferred to the LWD it is too early to determine future transportation costs.

WORKPLACE STANDARDS:

30. The Division of Workplace Standards, more recently referred to as Labor Standards and Safety Enforcement, (division) enforces statutes and rules by inspecting work premises and conditions. Additionally, the division develops and interprets rules, issues formal variances, and hears appeals. It also issues certain licenses and permits and issues approval for the operation of boilers, pressure vessels, and nuclear components.

The department has numerous fees for licenses, permits and inspections. The FY 2015 Budget (page D-221) recommends an appropriation of \$16.491 million in non-State and \$4.366 million in State funds next fiscal year for the division. This is equal to the amounts appropriated in FY 2014, but reflects a shift in the source of funds for the division. In FY 2013, the division appropriated \$3.168 million in non-State funds and \$13.469 million in State funds.

According to budget data, for FY2015, it is anticipated that the division will have 181 funded positions, an increase of six positions over the number filled in the current year, but a reduction of 41 positions since the peak staffing level of 222 in FY2005.

Question: a. Please list the revenue collected by the division in FY 2012, FY 2013 and anticipated in FY 2014. Please specify this revenue by the source of collection, such as fines, license fees, annual fees, etc.

Response: See Schedule XIX.

Discussion Points (Cont'd)

b. Please explain the shift in appropriations between State and non-State funds between FY 2013 and FY 2015.

Response:

There has been no shift in appropriations. The display for FY 2014 and FY 2015 indicates the appropriated amount. The \$4,366 represents the appropriated amount for FY 2014 and the Governor’s recommendation for FY 2015 (see page D231). Since Labor Standards and Safety Enforcement generates a significant amount of revenues which are used to fund its operations, when the revenues are received and spent they are then shown as State appropriated.

c. Please detail the sources of all non-State funds.

Response: See Schedule XIX.

d. For FY 2013, 2014 and the estimate for 2015, how many of the filled positions are allocated for each of the following categories:

Wage and Hour law enforcement; Child Labor law enforcement; Apparel Registration and related enforcement; Public Works Prevailing Wage law enforcement and contractor registration; Service Prevailing Wage law enforcement; Mechanical, Crane Operator, Mine, Pit, Quarry, and Explosive inspections; Asbestos Control and Licensing; Public Employees Safety; OSHA Consultant Services; and Mine Safety Training.

For each category, indicate how many of the filled positions are supported by State funding, federal funding, or other funding.

Response:

Positions Allocated by Activity				
	2013	2014	2015	Funding Source
	Actual	Est.	Est.	
Wage & Hour	67	66	66	State
Child Labor	3	3	3	State
Apparel	1	1	1	State
Prevailing Wage	15	16	16	State
Contractor Registration	10	9	9	State
Mechanical (Boiler)	27	27	28	State
Cranes	3	3	3	State
Mine, Pit, Quarry & Explosives (1)	6	5	5	State
Asbestos Control & Licensing	11	11	13	State
PEOSH Safety	20	19	20	
OSHA Consultation	13	14	14	10% State 90% Federal
	176	174	178	

(1) Includes Mine Safety Training

Discussion Points (Cont'd)

31. The Division of Workplace Standards is responsible for registering, investigating, auditing, and penalizing any contractors acting under the Prevailing Wage Act, the State Building Service Contracts Act, and the Public Works Contractor Registration Act. According to the department's response to the OLS Discussion Points in the FY 2014 budget process, the department received 507 cases of reported violations of the Prevailing Wage Act in FY 2013 and 740 cases for FY 2012. The vast majority of these cases result in violations.

The "New Jersey Prevailing Wage Act," (P.L.1963, c. 150 (C.34:11-56.25et seq.)) established "a prevailing wage level for workmen engaged in public works in order to safeguard their 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 detrimental to efficiency and well-being." Prevailing wage applies to every contract for public works in excess of \$2,000 awarded in whole or in part by the State of New Jersey, any of its political subdivisions, any authority created by the Legislature of the State of New Jersey and any instrumentality or agency of the State of New Jersey or any of its political subdivisions. In addition, prevailing wage applies to every contract for public works in excess of \$14,187 (increasing to \$15,444 on July 1, 2014) awarded in whole or in part by a municipal public body and to every subcontract to the contract. "Public works" means construction, reconstruction, demolition, alteration, custom fabrication, or repair work, or maintenance work, including painting and decorating, done under contract and paid for by public funds or the same work done on property or premises owned by the public body or if at least 55% of the property or premises are leased by a public body and the premises or property is more than 20,000 square feet (N.J.S.A.34:11-56.26).

The commissioner is charged with establishing the prevailing wage rate in each locality for each craft or trade or classification for all workmen needed to perform public work contracts. (C.34:11-56.30). Prevailing wage rates are based on collective bargaining agreements established for a particular craft or trade in the locality in which the public work is performed. The commissioner reviews these rates and establishes them as the prevailing wage rate for specific localities. Rates vary by county and Statewide and by the type of work performed. All rates must include the hourly wage rate and fringe benefits. The Public Contracts Section of the Division of Wage and Hour Compliance in the department makes the rates available to contractors and to the public (http://lwd.dol.state.nj.us/labor/wagehour/wagerate/wage_rates.html). Contractors are required to maintain records under the Prevailing Wage Act and file a payroll certification with the public body or lessor. The public body must then retain the payroll certification records.

Furthermore, P.L.2005,c.379, also known as the State Building Service Contracts Act (C.34:11-56.58 et seq.) establishes prevailing wage standards for the employees of contractors and subcontractors furnishing building services for any property or premises owned or leased by the State. The employer must maintain records of name, classification,

Discussion Points (Cont'd)

and actual hourly rate of wages and any benefits paid for each employee for at least two years. The department is responsible for investigating and auditing any employer that is engaged in a public works contract. The department is given statutory authority to investigate the employers' records and workplace. The department may also fine the employer for any violations.

Question: a. How many complaints has the department received on prevailing wage violations in FY 2013 and thus far in FY 2014? How many violations of the Prevailing Wage Act has the department determined in FY 2013 and thus far in FY 2014?

Response:

FY 2013: 655 complaints with 456 violations

FY 2014: 364 complaints with 176 violations through April 8, 2014.

b. How many complaints has the department received on State Building Service Contracts Act violations in FY 2013 and thus far in FY 2014? How many violations of the State Building Service Contracts Act has the department determined in FY 2013 and thus far in FY 2014?

Response:

In FY 2013 there were 3 violations of the State Building Service Contracts. We have not had any violations thus far in FY 2014.

c. What are the number of staff dedicated to investigating complaints on prevailing wage violations and State Building Service Contract violations?

Response:

There are 9 field staff assigned to Prevailing Wage. No staff are dedicated solely to State Building Service enforcement.

32. 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

Discussion Points (Cont'd)

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 proof of registration of all contractors bidding on the project and all subcontractors identified in such bids.” Following are the fees and number of registrations per year, for the last six years, from budget data (page D-230 in FY 2015):

	Public Works Contractor Registration Act Registrations Issued	State Available	State Expended	State Receipts	Re- appropriated
FY 2013	7,973	\$3,269	\$2,086	\$2,325	\$494
FY 2012	8,464	\$4,895	\$1,903	\$610	\$3,835
FY 2011	8,487	\$5,510	\$3,175	\$2,775	\$2,825
FY 2010	8,853	\$5,943	\$3,657	\$2,602	\$2,891
FY 2009	8,345	\$4,989	\$2,114	\$2,519	\$2,020
FY 2008	7,417	\$4,207	\$2,187	\$2,417	\$1,340

Question: a. Is this revenue entirely reflective of the number of registrations issued each year or is there any other revenue being reported in the State receipts?

Response:

The State receipts displayed above are in addition to the amounts appropriated from the PWCRA fund. From FY 2008 to FY 2011 and FY 2013, \$500,000 per year was appropriated from the PWCRA account. In FY 2012 \$2.5 million was appropriated from the PWCRA account.

b. Are State receipts that are not reappropriated lapsed to the General Fund or are they used for Division of Workplace Standards activities?

Response:

Language in the Appropriations Act provides that receipts in excess of the amount anticipated and unexpended balances from the prior fiscal year are re-appropriated into the current fiscal year for use by the PWCRA program.

Discussion Points (Cont'd)

Civil Service Commission

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

The OWID 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; and investigates and hears appeals related 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 CSC, 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. However, according to the OWID’s responses to the OLS Discussion Points during the FY 2014 budget process, after the transfer of OWID to the CSC in FY 2013, a combined learning approach including e-learning and more traditional instructor-led training was implemented. The OWID formed a partnership with the NJ Community College Consortium for Workforce and Economic Development to deliver training.

In FY 2012, the Office initiated a fee schedule charged to all State agencies, based on the number of employees. As of March 2013, the Office had collected \$622,585 in FY 2012 and \$1.1 million in FY 2013.

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

Response:

Number of Agency Employees	Annual Fees
Less than 200	\$1,500.00
201 to 300	\$5,000.00
301 to 500	\$7,500.00
501 to 900	\$15,000.00
901 to 1200	\$20,000.00
1201 to 2500	\$35,000.00
2501 to 3500	\$60,000.00
3501 to 5000	\$80,000.00
Over 5000	\$100,000.00

Discussion Points (Cont'd)

b. How much revenue was collected through these fees in FY 2013, thus far in FY 2014 and anticipated in the remainder of FY 2014 and for FY 2015?

Response:

Civil Service Commission
 Fees - Training & Development

	FY 13	FY 14	FY14	Total	FY 15
Development fees	Actual	Actual as of 3/25/14	Balance Projected to 6/30/14	FY 14	Projected
Training					
LMS licenses	675,750	677,000	1,000	678,000	600,000
Course Fees – Federal*		474,607	50,000	524,607	
Course fees - other	432,894	651,441	107,500	651,441	250,000
Total training	1,108,644	1,803,048	158,500	1,961,548	850,000
Employee Advisory Service	245,580	85,550	90,000	175,550	150,000
Total Development fees	1,354,224	1,888,598	90,000	1,978,598	1,000,000

*Non-recurring federal grant from DHS

c. How many State employees have accessed the online training offered through the Office in FY 2013, thus far in FY 2014 and anticipated in the remainder of FY 2014 and for FY 2015?

Response:

In FY 2013, there were 51,625 State employee users who took 50,429 online training courses. In FY 2014, there are approximately 51,625 users who have taken 35,689 courses. It is anticipated that the number of State employees accessing online training will remain the same in the remainder of FY 2014 and in FY 2015.

Discussion Points (Cont'd)

d. What are the costs for employees to attend trainings coordinated by the NJ Community College Consortium for Workforce and Economic Development? Are these costs reimbursed on a per employee basis or on a contractually agreed upon annual fee?

Response:

The partnership between the Civil Service Commission (CSC) and the NJ Community College Consortium (NJCC Consortium) separates the training and development tasks between the two entities. CSC performs the customer contact, training needs analysis, course and guide development and evaluation, while the Consortium does the actual training delivery and supplemental materials. The average price per student is \$159 for single day courses prices are subject to change based upon program presented. Agencies may also choose to contract with CSC for a class and reduced pricing.

SCHEDULES

Schedule I									
	Advanced Manufacturing	Financial Services	Health Care	Life Sciences	Recovery	Retail/Hospitality/Tourism - North	Retail/Hospitality/Tourism - South	Technology & Entrepreneurship	Transportation, Logistics & Distrib.
Connections to Business									
(1) Participate in all industry specific Rapid Response events	17	5	3	6	2	7	28	3	20
(2) Educate businesses on State programs and services (meetings held)	13	29	70	92	60	96	62	30	63
(3) Educate sector businesses on issues such as salary data, wage trends and the cost of turnover based on industry information provided by LWD (meetings held)	13	29	70	92	60	96	62	30	63
(4) Promote the use of Jobs4Jersey.com (or other similar LWD tools) for listing job openings and searching for job candidates (meetings held)	13	29	70	92	60	96	62	30	63
(5) Host a Statewide Industry Week	October 3-9, 2014	N/A	April 7-11, 2014	June 9-13, 2014	N/A	March 17-21, 2014	March 17-21, 2014	April 21-25, 2014	May 10-17, 2014
(6) Increase the number of sector businesses that utilize On-the-Job Training (OJT) (contracts)	0	0	0	1	17	21	15	1	11
Connections to Jobseekers									
(1) Provide re-employment information, tools and opportunities for dislocated workers	1	1	4	17	11	9	6	0	7
(2) Host networking events for jobseekers	1	5	23	23	2	20	16	9	13
(3) Provide sector-specific workshops at each Jersey Job Club	4	12	23	10	10	6	5	0	13
Connections to the State of NJ including LWD, the WIBs and One-Stop Career Center staff									
(1) Attend monthly Talent Network director meetings held by LWD	7	6	7	7	6	6	6	4	7
(3) Provide professional development trainings on the sector to all OSCC staff and partners throughout all regions (north/central/south)	April - June 2014	April - June 2014	April - June 2014	April - June 2014	April - June 2014	April - June 2014	April - June 2014	April - June 2014	April - June 2014
(4) Meet and partner with other state agencies/departments to address business needs as coordinated by LWD (meetings held)	20	36	12	6	24	31	32	8	30
Connections to Higher Education and Training Providers									
(1) Broker the delivery of customized workforce group training curriculums, participants and training courses that result in job placement	3 grants	4 grants	3 grants	0	0	0	0	0	0
(2) Build relationships with higher institutions' career placement staff to education staff and students on job opportunities within the industry sector and to promote the use of Jobs4Jersey.com as the exclusive job portal (meetings held)	7	27	27	7	7	16	8	0	11
(3) Partner with educators and school counselors in high schools as well as colleges to create career awareness for the industry sector to their students describing the types and availability of jobs, internship opportunities, the training needs required, and the career paths of the sector (meetings held)	7	27	27	7	7	16	8	0	11
Connections to Social Media									
(1) Maintain a Talent Network website that promotes LWD, Jobs4Jersey.com, Jersey Job Clubs and other LWD programs and services	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Apr-14	Yes
(2) Maintain a LinkedIn group (# members)	464	334	202	2100	71	329	282	10	735
(3) Maintain a Talent Network Twitter account (# members)	1	16	161	300	236	236	198	9	83

Schedule II

UNEMPLOYMENT COMPENSATION FUND TAX TABLE COMPUTATIONS (in millions)

	ACTUAL 7/11	ACTUAL 7/12	ACTUAL 7/13	EST. 7/14	EST. 7/15	EST. 7/16	EST. 7/17
UCTF Account 3/31	\$ 33.1	\$ 32.0	\$ 32.4	\$ 32.6	\$ 197.4	\$ 937.0	\$ 1,681.1
Accrued Contributions	1,008.6	1,213.0	1,232.6	1,256.2	1,360.4	1,311.4	1,254.0
Benefits Payable (UI only)	(49.7)	(43.0)	(42.2)	(40.0)	(38.0)	(37.0)	(37.0)
Reed Act & Stimulus Admin	(32.8)	(32.0)	(32.4)	(32.6)	(8.3)	-	-
Loan Balance 3/31	(1,991.6)	(1,738.5)	(1,142.0)	(419.0)	-	-	-
All other assets & liabilities	107.3	60.4	126.6	126.6	126.6	126.6	126.6
Fund Balance	<u>\$ (925.1)</u>	<u>\$ (508.1)</u>	<u>\$ 175.0</u>	<u>\$ 923.8</u>	<u>\$ 1,638.1</u>	<u>\$ 2,338.0</u>	<u>\$ 3,024.7</u>
Taxable Wages	\$ 72,482.9	\$ 73,210.1	\$ 75,229.8	\$ 77,732.2	\$ 80,375.1	\$ 83,509.7	\$ 87,184.2
Reserve Rate	statutory	statutory	statutory	1.19%	2.04%	2.80%	3.47%
Table	D	E	E	E	D	C	B

UNEMPLOYMENT COMPENSATION TRUST FUND ACCOUNT

Schedule III

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
JULY 2012	\$32.0	\$ 585.2	\$ 82.7	\$ 667.9	\$ 1.1	\$ 210.4	\$ -	\$ 9.1	\$ (467.7)	\$ 32.0	\$ 584.5
AUGUST	32.0	42.2	2.3	44.5	0.4	212.9	0.2	53.1	114.9	31.8	699.4
SEPTEMBER	31.8	10.4	0.7	11.1	-	170.8	-	7.9	151.8	31.8	851.2
OCTOBER	31.8	38.8	7.6	46.4	(0.2)	185.4	-	(5.4)	144.6	31.8	995.8
NOVEMBER	31.8	371.2	44.4	415.6	-	209.8	-	39.5	(245.3)	31.8	750.5
DECEMBER	31.8	4.2	0.8	5.0	0.1	207.7	(0.6)	22.3	180.3	32.4	930.8
JANUARY 2013	32.4	270.2	35.1	305.3	(0.1)	253.8	-	11.4	(62.8)	32.4	868.0
FEBRUARY	32.4	38.5	4.2	42.7	-	220.1	-	24.0	153.4	32.4	1,021.4
MARCH	32.4	3.7	(1.0)	2.7	92.3	221.0	-	5.4	120.6	32.4	1,142.0
APRIL	32.4	183.4	37.8	221.2	33.8	208.1	-	(14.4)	(32.5)	32.4	1,109.5
MAY	32.4	910.3	106.3	1,016.6	14.7	188.9	-	51.2	(893.6)	32.4	215.9
JUNE	32.4	5.6	(0.2)	5.4	0.8	162.1	-	20.4	135.5	32.4	351.4
TOTAL	\$32.0	\$ 2,463.7	\$ 320.7	\$ 2,784.4	\$ 142.9	\$ 2,451.0	\$ (0.4)	\$ 224.5	\$ (700.8)	\$ 32.4	

- ASSUMPTIONS:
1. Table E will be used.
 2. The UI taxable wages will increase by 3.4% in CY 2013.
 3. The disbursements for June are net of RBC and CWC benefits.

FY 2014

(in millions)

MONTH	BEG BLNCE	EMPLOYER CONT	WORKER CONT	TOTAL CONT	FUTA CREDITS	INT INC & FINES	OTHER	REED ACT STIM ADM	BENEFITS	LOAN	END BLNCE	LOAN BALANCE	IUR	TUR
JULY 2013	\$32.4	\$ 609.3	\$ 88.4	\$ 697.7	\$ (0.2)	\$ -	\$ 17.5	\$ -	\$ 207.4	\$ (351.4)	\$ 188.6	\$ -	3.5	8.6
AUGUST	188.6	59.4	(0.2)	59.2	(0.6)	-	22.3	(0.2)	188.3	-	81.4	-	3.5	8.5
SEPTEMBER	81.4	6.4	-	6.4	0.2	-	12.4	-	172.9	105.1	32.6	105.1	3.5	8.4
OCTOBER	32.6	382.2	53.0	435.2	-	0.4	17.6	-	192.9	(105.1)	187.8	-	3.4	8.4
NOVEMBER	187.8	28.3	2.9	31.2	0.1	0.1	31.9	-	165.3	-	85.8	-	3.4	7.8
DECEMBER	85.8	3.6	0.1	3.7	0.5	0.4	6.4	-	210.0	145.8	32.6	145.8	3.5	7.3
JANUARY 2014	32.6	284.7	39.7	324.4	0.2	0.1	18.0	-	250.3	(92.4)	32.6	53.4	3.6	7.3
FEBRUARY	32.6	(7.6)	(4.8)	(12.4)	-	-	59.2	-	216.4	169.6	32.6	223.0	3.5	7.3
MARCH	32.6	5.8	0.2	6.0	-	-	22.0	-	224.0	196.0	32.6	419.0	3.5	7.3
APRIL	32.6	75.2	9.2	84.4	-	0.2	5.0	-	205.4	115.8	32.6	534.8	3.5	7.2
MAY	32.6	1,014.6	134.2	1,148.8	-	-	10.0	-	186.0	(534.8)	470.6	-	3.5	7.2
JUNE	470.6	20.8	2.2	23.0	-	0.2	10.0	-	178.4	-	325.4	-	3.5	7.2
TOTAL	\$32.4	\$ 2,482.7	\$ 324.9	\$ 2,807.6	\$ 0.2	\$ 1.4	\$ 232.3	\$ (0.2)	\$ 2,397.3	\$ (351.4)	\$ 325.4			

- ASSUMPTIONS:
1. Table E was used.
 2. The UI taxable wages will increase by 3.4% in CY 2014.
 3. The disbursements are net of RBC and CWC benefits.
 4. Actual information used for July - February.
 5. March data reflects actual information 3/1-3/11.

FY 2015

(in millions)

MONTH	BEG BLNCE	EMPLOYER CONT	WORKER CONT	TOTAL CONT	INTEREST INCOME	REED ACT STIM ADM	BENEFITS	END BLNCE	IUR	TUR
JULY 2014	\$325.4	\$ 586.4	\$ 74.4	\$ 660.8	\$ -	\$ 2.7	\$ 214.2	\$ 769.3	3.4	7.1
AUGUST	769.3	70.0	10.8	80.8	-	2.7	192.6	654.8	3.4	7.1
SEPTEMBER	654.8	26.0	0.6	26.6	3.0	2.7	180.0	501.7	3.4	7.1
OCTOBER	501.7	399.6	43.0	442.6	-	2.7	184.6	757.0	3.4	7.0
NOVEMBER	757.0	73.4	10.8	84.2	-	2.7	173.4	665.1	3.4	7.0
DECEMBER	665.1	10.8	2.6	13.4	3.5	2.7	219.0	460.3	3.4	7.0
JANUARY 2015	460.3	271.8	30.4	302.2	-	2.7	227.6	532.2	3.3	6.9
FEBRUARY	532.2	70.6	7.8	78.4	-	2.7	207.8	400.1	3.3	6.9
MARCH	400.1	13.6	0.4	14.0	2.2	2.7	216.2	197.4	3.3	6.9
APRIL	197.4	82.0	9.4	91.4	-	2.7	201.0	85.1	3.3	6.7
MAY	85.1	1,104.6	139.4	1,244.0	-	2.8	173.8	1,152.5	3.3	6.7
JUNE	1,152.5	22.6	2.4	25.0	1.9	2.8	182.8	993.8	3.3	6.7
TOTAL	\$325.4	\$ 2,731.4	\$ 332.0	\$ 3,063.4	\$ 10.6	\$ 32.6	\$ 2,373.0	\$ 993.8		

- ASSUMPTIONS:
1. Table E will be used.
 2. The UI taxable wages will increase by 3.4% in CY 2014 and 3.9% in CY 2015.
 3. The disbursements are net of RBC and CWC benefits.
 4. The Reed Act and Stimulus Admin. disbursements will be \$32.6 million.

Schedule III Continued

UNEMPLOYMENT COMPENSATION TRUST FUND ACCOUNT
CASH FLOW ANALYSIS
FY 2016
(in millions)

MONTH	BEG BLNCE	EMPLOYER CONT	WORKER CONT	TOTAL CONT	INTEREST INCOME	BENEFITS	END BLNCE	IUR	TUR
JULY 2015	\$993.8	\$ 638.4	\$ 77.4	\$ 715.8	\$ -	\$ 209.0	\$ 1,500.6	3.2	6.5
AUGUST	1,500.6	76.2	11.2	87.4		188.0	1,400.0	3.2	6.5
SEPTEMBER	1,400.0	28.2	0.6	28.8	6.0	175.8	1,259.0	3.2	6.5
OCTOBER	1,259.0	379.4	44.8	424.2		172.4	1,510.8	3.2	6.5
NOVEMBER	1,510.8	69.6	11.2	80.8		177.9	1,413.7	3.2	6.5
DECEMBER	1,413.7	10.4	2.8	13.2	6.7	213.8	1,219.8	3.2	6.5
JANUARY 2016	1,219.8	258.2	31.6	289.8		219.4	1,290.2	3.2	6.4
FEBRUARY	1,290.2	67.2	8.2	75.4		220.0	1,145.6	3.2	6.4
MARCH	1,145.6	13.0	0.4	13.4	6.0	228.0	937.0	3.2	6.4
APRIL	937.0	78.2	10.0	88.2		187.8	837.4	3.1	6.2
MAY	837.4	1,053.6	145.6	1,199.2		178.0	1,858.6	3.1	6.2
JUNE	1,858.6	21.6	2.4	24.0	5.6	178.8	1,709.4	3.1	6.2
TOTAL	\$993.8	\$ 2,694.0	\$346.2	\$ 3,040.2	\$ 24.3	\$ 2,348.9	\$ 1,709.4		

ASSUMPTIONS:

1. Table D will be used.
2. The UI taxable wages will increase by 3.9% in CY 2015 and 4.4% in CY 2016.
3. The disbursements are net of RBC and CWC benefits.

UNEMPLOYMENT COMPENSATION TRUST FUND ACCOUNT
CASH FLOW ANALYSIS
FY 2017
(in millions)

MONTH	BEG BLNCE	EMPLOYER CONT	WORKER CONT	TOTAL CONT	INTEREST INCOME	BENEFITS	END BLNCE	IUR	TUR
JULY 2016	\$1,709.4	\$ 609.0	\$ 80.8	\$ 689.8	\$ -	\$ 192.6	\$ 2,206.6	3.1	6.0
AUGUST	2,206.6	72.8	11.6	84.4		207.4	2,083.6	3.1	6.0
SEPTEMBER	2,083.6	27.0	0.8	27.8	6.0	177.4	1,940.0	3.1	6.0
OCTOBER	1,940.0	356.4	46.8	403.2		160.8	2,182.4	3.0	5.8
NOVEMBER	2,182.4	65.4	11.6	77.0		181.6	2,077.8	3.0	5.8
DECEMBER	2,077.8	9.6	2.8	12.4	10.1	199.8	1,900.5	3.0	5.8
JANUARY 2017	1,900.5	242.4	33.0	275.4		202.4	1,973.5	2.7	5.6
FEBRUARY	1,973.5	63.0	8.4	71.4		184.8	1,860.1	2.7	5.6
MARCH	1,860.1	12.2	0.4	12.6	9.4	201.0	1,681.1	2.7	5.6
APRIL	1,681.1	73.8	10.4	84.2		162.8	1,602.5	2.7	5.6
MAY	1,602.5	994.2	152.6	1,146.8		169.2	2,580.1	2.7	5.6
JUNE	2,580.1	20.4	2.6	23.0	9.3	162.6	2,449.8	2.7	5.6
TOTAL	\$1,709.4	\$ 2,546.2	\$ 361.8	\$ 2,908.0	\$ 34.8	\$ 2,202.4	\$ 2,449.8		

ASSUMPTIONS:

1. Table C will be used.
2. The UI taxable wages will increase by 4.4% in CY 2016 and 4.9% in CY 2017.
3. The disbursements are net of RBC and CWC benefits.

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

	2013	2014	2015	2016
	Actual	Estimated	Estimated	Estimated
Fund Balance July 1	\$4,226	\$2,955	\$1,405	\$326
Fund Balance June 30	\$2,955	\$1,405	\$326	\$247

Unemployment Compensation Auxiliary Fund Expenditures
(thousands of dollars)

	Actual	Estimated	Estimated	Estimated
	FY 2013	FY 2014	FY 2015	FY 2016
Administration	\$538	\$538	\$538	\$538
Administration (language)		550	550	550
UC Earned Income Tax Credit Costs		150	150	150
UI Tax Collection Activities		2,500	5,000	5,000
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	72	72	72	72
DVR - GIA	14,114	14,114	14,114	14,114
NJ Youth Corps	475	475	475	475
Total	\$18,129	\$21,379	\$23,879	\$23,879

NJ LWD
Shared Costs
Schedule V

	<u>100.00%</u>	<u>35.85%</u>	<u>17.90%</u>	<u>1.49%</u>				<u>55.24%</u>	<u>44.76%</u>
<u>Joint Tax</u>	<u>Total Costs</u>	<u>TDI</u>	<u>FLI</u>	<u>WDPF (4)</u>	<u>Cat III</u>	<u>RTK</u>	<u>PP</u>	<u>Subtotal</u>	<u>UI</u>
FY 2011	\$21,553,890	\$7,727,070	\$3,858,147	\$321,153	-	-	-	\$11,906,370	\$9,647,520
FY 2012	21,786,078	7,810,309	3,899,709	324,613	-	-	-	12,034,630	9,751,448
FY 2013	21,530,673	7,718,746	3,853,990	320,807	-	-	-	11,893,543	9,637,129
FY 2014 (1)	23,172,873	8,307,475	4,147,944	345,276	-	-	-	12,800,695	10,372,178

<u>Revised Allocation</u>	<u>100.00%</u>	<u>24.23%</u>	<u>5.60%</u>	<u>11.55%</u>	<u>1.05%</u>	<u>0.10%</u>	<u>0.10%</u>	<u>42.63%</u>	<u>57.37%</u>
FY 2015(3) (5)	23,705,850	5,743,927	1,327,528	2,738,026	248,911	23,706	23,706	10,105,804	13,600,046

	<u>100.00%</u>	<u>35.76%</u>	<u>17.88%</u>	<u>1.54%</u>	<u>0.89%</u>	<u>0.06%</u>	<u>0.06%</u>	<u>56.19%</u>	<u>43.81%</u>
<u>Division of Revenue</u>	<u>Total Costs</u>	<u>TDI</u>	<u>FLI</u>	<u>WDPF</u>	<u>Cat III</u>	<u>RTK</u>	<u>PP</u>	<u>Subtotal</u>	<u>UI</u>
FY 2011	\$2,641,998	\$944,779	\$472,389	\$40,687	\$23,514	\$1,585	\$1,585	\$1,484,539	\$1,157,459
FY 2012	2,897,359	1,036,096	518,048	44,619	25,786	1,738	1,738	1,628,025	1,269,334
FY 2013	2,443,911	873,943	436,971	37,636	21,751	1,466	1,466	1,373,233	1,070,677
FY 2014 (2)	2,284,486	816,932	408,466	35,181	20,332	1,371	1,371	1,283,653	1,000,833

<u>Revised Allocation</u>	<u>100.00%</u>	<u>29.93%</u>	<u>11.99%</u>	<u>24.77%</u>	<u>2.77%</u>	<u>0.27%</u>	<u>0.26%</u>	<u>69.99%</u>	<u>30.01%</u>
FY 2015 (3)(5)	2,337,030	699,473	280,210	578,882	64,736	6,310	6,076	1,635,687	701,343

<u>Total Shared Costs</u>	<u>Total Costs</u>	<u>TDI</u>	<u>FLI</u>	<u>WDPF</u>	<u>Cat III</u>	<u>RTK</u>	<u>PP</u>	<u>Subtotal</u>	<u>UI</u>
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
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
FY 2013	23,974,584	8,592,689	4,290,961	358,443	21,751	1,466	1,466	13,266,776	10,707,806
FY 2014	25,457,359	9,124,407	4,556,410	380,457	20,332	1,371	1,371	14,084,348	11,373,011
Fy 2015 (3) (5)	26,042,880	6,443,401	1,607,737	3,316,908	313,647	30,016	29,782	11,741,491	14,301,389

(1) Joint tax for FY 2014 represents actual costs for July 2013 to Dec.,2013 projected through June 2013.

(2) Division of Revenue for FY 2014 represents projections based on 6 months of actual costs.

(3) FY 2015 Shared Costs are based on FY 2014 projections with a 2.3% COLA built in

(4) WDPF includes WDP and SWFBS.

(5) In accordance with USDOL TEGL 06-05 an updated Joint Cost Allocation Plan was developed for SFY 2015 which revises allocation percentages among the programs.

Schedule VI

SECOND INJURY FUND
 CASH FLOW INFORMATION
 CALENDAR YEARS 2005 - 2016
 (in millions)

<u>CY</u>	<u>BEG</u> <u>BLNCE</u>	<u>ASSMT</u>	<u>INTEREST</u> <u>INCOME</u>	<u>ADM</u> <u>EXP</u>	<u>BENEFITS</u>	<u>SUPP</u> <u>BENEFITS</u>	<u>LOAN</u> <u>TO UEF</u>	<u>TRF TO</u> <u>GEN FND</u>	<u>ADJ</u>	<u>TRF FR</u> <u>GEN FND</u>	<u>END</u> <u>BLNCE</u>
2005	\$ 28.7	\$ 160.3	\$ 1.3	\$ 23.7	\$ 90.8	\$ 53.3	\$ 0.3				\$ 22.2
2006	22.2	154.9	1.7	15.8	99.0	51.7	(0.8)	5.0			8.1
2007	8.1	167.5	1.0	5.3	113.1	50.6			0.1		7.7
2008	7.7	182.5	0.3	23.5	116.0	48.3			4.8		7.5
2009	7.5	180.2	0.1	25.1	121.4	49.4					(8.1)
2010	(8.1)	167.9		23.6	126.2	50.1					(40.1)
2011	(40.1)	183.1		25.4	135.1	45.4				17.5	(45.4)
2012	(45.4)	220.9		33.0	140.7	41.7					(39.9)
2013	(39.9)	230.5		19.7	148.0	38.0					(15.1)
2014 est	(15.1)	231.0		26.0	166.7	32.3					(9.1)
2015 est	(9.1)	238.5		27.0	176.1	28.9					(2.6)
2016 est	(2.6)	247.2		30.0	186.7	24.4					3.5

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 charged for the Second Injury Fund Assessment.

Schedule VI-a

ADMININISTRATIVE COSTS FOR SECOND INJURY FUND
CY 2005 - 2013

Minor Object Name	Minor Obj.	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
Salaries	12	\$ 11,249,776	\$ 11,061,129	\$ 11,964,813	\$ 12,745,701	\$ 12,040,479	\$ 12,524,017	\$ 11,788,239	\$ 12,258,520	\$ 11,760,489	\$ 12,181,524	\$ 12,546,969
Fringe Benefits	19	3,711,035	4,219,082	3,862,316	4,995,304	4,610,424	4,525,115	5,074,501	5,720,761	6,401,458	6,547,569	7,120,405
Total PS & PB		<u>14,960,811</u>	<u>15,280,211</u>	<u>15,827,129</u>	<u>17,741,005</u>	<u>16,650,903</u>	<u>17,049,132</u>	<u>16,862,740</u>	<u>17,979,281</u>	<u>18,161,947</u>	<u>18,729,093</u>	<u>19,667,374</u>
Supplies	21	57,695	23,114	150,744	21,166	43,890	24,558	121,032	116,192	109,689	110,000	112,000
	24	-	-	-	-	-	-	-	-	1,680	1,700	2,000
Total Supplies		<u>57,695</u>	<u>23,114</u>	<u>150,744</u>	<u>21,166</u>	<u>43,890</u>	<u>24,558</u>	<u>121,032</u>	<u>116,192</u>	<u>111,369</u>	<u>111,700</u>	<u>114,000</u>
Travel	30	26,268	21,815	21,744	13,227	32,220	23,932	22,866	23,843	28,088	28,100	29,000
Telephone	31	143,593	114,585	147,501	114,759	114,917	93,664	(221,315)	290,591	199,195	200,000	204,000
Postage	32	200,381	158,747	192,133	335,660	282,374	196,824	85,095	170,342	151,763	152,000	155,000
Software / Comp. Rental	34	158,403	78,346	89,934	142,670	111,722	441,345	485,930	676,390	614,343	615,000	627,000
Household & Security	35	122,899	178,607	136,821	252,206	313,629	386,764	405,833	422,629	387,612	388,000	396,000
Prof Services	36	199,327	255,339	91,535	26,685	135,512	53,179	8,198	868	9,409	9,000	9,000
Other	38	349,611	100,408	1,200,550	1,051,008	1,312,053	1,027,983	1,374,152	1,046,895	1,279,272	1,280,000	1,306,000
Office Info Technology	39	123,868	329,869	165,029	588,787	858,168	319,939	449,814	471,152	454,760	455,000	464,000
Total Services		<u>1,324,350</u>	<u>1,237,715</u>	<u>2,045,247</u>	<u>2,525,002</u>	<u>3,160,595</u>	<u>2,543,630</u>	<u>2,610,573</u>	<u>3,102,710</u>	<u>3,124,442</u>	<u>3,127,100</u>	<u>3,190,000</u>
Maint - Bldg Grounds	40	95	3,666	204	-	-	-	-	-	500	7,000	7,000
Maint - Equipment	41	13,102	5,392	8,305	17,349	7,885	30,783	10,324	2,566	9,147	9,200	9,000
Rent - Bldg Grounds	44	3,242,070	3,565,481	4,047,787	3,555,178	3,862,202	3,903,800	2,801,929	2,917,668	4,381,904	4,400,000	4,488,000
Rent - CMP	45	2,815	1,387	347	775	495	223	39	26	14,157	14,200	14,000
Rent - Other	47	13,590	15,618	15,564	17,472	18,741	15,907	15,875	22,626	19,123	19,200	20,000
Total Rental		<u>3,271,672</u>	<u>3,591,544</u>	<u>4,072,207</u>	<u>3,590,774</u>	<u>3,889,323</u>	<u>3,950,713</u>	<u>2,828,167</u>	<u>2,942,886</u>	<u>4,424,832</u>	<u>4,449,600</u>	<u>4,538,000</u>
Indirect Costs	5810	89,672	82,698	150,291	141,543	70,706	135,063	102,976	161,363	271,013	130,000	133,000
NPS - AS&T	5815	241,255	309,416	282,689	233,557	232,565	181,344	262,928	65,917	36,199	37,000	38,000
Total Indirects		<u>330,927</u>	<u>392,114</u>	<u>432,980</u>	<u>375,100</u>	<u>303,271</u>	<u>316,407</u>	<u>365,904</u>	<u>227,280</u>	<u>307,212</u>	<u>167,000</u>	<u>171,000</u>
Other Equipment	76	154,370	158,457	15,406	108,765	4,311	2,355	3,027	16,418	6,675	7,000	7,000
Info Proc Equipment	77	81,265	99,612	15,622	16,468	35,367	1,446	44,559	81,436	13,579	35,000	20,000
Total Equipment		<u>235,635</u>	<u>258,069</u>	<u>31,028</u>	<u>125,233</u>	<u>39,678</u>	<u>3,801</u>	<u>47,586</u>	<u>97,854</u>	<u>20,254</u>	<u>42,000</u>	<u>27,000</u>
Grand Total		<u>\$ 20,181,090</u>	<u>\$ 20,782,767</u>	<u>\$ 22,559,336</u>	<u>\$ 24,378,279</u>	<u>\$ 24,087,660</u>	<u>\$ 23,888,241</u>	<u>\$ 22,836,002</u>	<u>\$ 24,466,203</u>	<u>\$ 26,150,056</u>	<u>\$ 26,626,493</u>	<u>\$ 27,707,374</u>

2005 to 2013 are actual. 2014 & 2015 are estimated.

NJDLWD - Second Injury Fund
Individuals Eligible for Benefits
After 1979

Schedule VII

CY of Fund Eligibility	#	Average Weekly Benefit	Average Age
1980	20	\$596.74	80.60
1981	14	\$630.49	81.10
1982	35	\$589.40	82.65
1983	24	\$541.44	82.49
1984	40	\$490.14	80.73
1985	46	\$422.77	79.14
1986	55	\$415.20	80.27
1987	51	\$357.82	79.65
1988	71	\$307.95	78.89
1989	84	\$266.94	78.03
1990	69	\$212.00	76.46
1991	94	\$242.57	75.33
1992	110	\$230.84	76.36
1993	145	\$234.34	75.45
1994	157	\$238.81	74.18
1995	178	\$263.66	74.31
1996	213	\$268.00	73.60
1997	235	\$289.18	72.18
1998	302	\$292.67	71.13
1999	294	\$310.52	69.86
2000	344	\$324.92	68.27
2001	345	\$323.98	68.24
2002	385	\$327.82	67.54
2003	423	\$344.05	67.53
2004	477	\$349.31	66.17
2005	512	\$345.67	65.08
2006	545	\$360.51	64.15
2007	523	\$351.83	63.27
2008	536	\$358.47	62.63
2009	535	\$354.25	62.43
2010	521	\$365.65	61.43
2011	508	\$364.07	60.57
2012	445	\$374.82	60.01
2013	387	\$383.44	59.34
2014	46	\$380.51	58.68
Total	8,769		
Averages	250.54	\$357.45	71.36

Note: Table contains data on all SIF beneficiaries initially eligible for benefits after 1979 and receiving benefits as of 3/21/2014.

NJDLWD - Second Injury Fund
Total Disability Dependency Cases
Receiving Benefits
at 3/31/2014

Schedule VIII

CY of Injury/Death	SIF				Total Disability				Dependency				All Cases			
	# Cases	Base	Suppl	Avg Age	#Cases	Base(1)	Suppl	Avg Age	# Cases	Base(1)	Suppl	Avg Age	# Cases	Base	Suppl	Avg Age
1944	1	\$20.00	\$674.94	94.96									1	\$20.00	\$674.94	94.96
1949					1	\$25.00	\$769.75	99.60					1	\$25.00	\$769.75	99.60
1950					1	\$20.00	\$581.34	80.52					1	\$20.00	\$581.34	80.52
1951	1	\$29.33	\$746.96	82.21	1	\$30.00	\$687.36	87.48					2	\$29.67	\$717.16	84.85
1952	1	\$30.00	\$768.42	91.11	1	\$26.92	\$598.73	80.87					2	\$28.46	\$683.58	85.99
1954					1	\$30.00	\$659.03	80.04					1	\$30.00	\$659.03	80.04
1955					1	\$30.00	\$681.86	82.80	1	\$30.00	\$714.48	79.52	2	\$30.00	\$698.17	81.16
1957									1	\$40.00	\$657.80	94.13	1	\$40.00	\$657.80	94.13
1958					1	\$40.00	\$568.59	101.36					1	\$40.00	\$568.59	101.36
1959	2	\$36.50	\$620.43	84.28	3	\$40.00	\$705.96	85.34	1	\$40.00	\$728.48	66.76	6	\$38.83	\$681.20	81.89
1960	1	\$29.00	\$521.61	85.66	3	\$37.33	\$672.90	84.35					4	\$35.25	\$635.08	84.68
1961	2	\$37.00	\$665.60	80.10	4	\$40.00	\$692.69	79.34	1	\$40.00	\$684.07	84.12	7	\$39.14	\$683.72	80.24
1962	2	\$33.00	\$525.45	91.14	4	\$38.50	\$666.81	85.66					6	\$36.67	\$619.69	87.49
1963	2	\$40.50	\$644.53	87.00	1	\$40.00	\$580.37	83.20	1	\$45.00	\$725.99	79.24	4	\$41.50	\$648.86	84.11
1964	1	\$34.00	\$524.71	80.73	5	\$41.20	\$627.18	84.78					6	\$40.00	\$610.10	84.11
1965	4	\$40.75	\$636.64	83.63	1	\$38.00	\$622.54	69.72					5	\$40.20	\$633.82	80.85
1966	5	\$42.80	\$666.66	78.97	12	\$43.17	\$682.64	81.87	2	\$14.20	\$508.82	90.67	19	\$40.02	\$660.14	82.03
1967	8	\$60.60	\$563.71	80.75	10	\$57.01	\$489.22	78.49	24	\$68.43	\$602.27	82.84	42	\$64.22	\$568.01	81.41
1968	9	\$73.90	\$574.41	79.27	12	\$62.05	\$473.97	75.05	16	\$66.96	\$524.80	83.80	37	\$67.06	\$520.38	79.86
1969	10	\$60.89	\$460.61	79.20	11	\$73.98	\$488.44	80.10	34	\$71.75	\$555.47	80.83	55	\$70.22	\$524.82	80.39
1970	17	\$80.79	\$565.45	81.62	19	\$77.99	\$565.99	76.75	21	\$80.40	\$577.10	82.35	57	\$79.71	\$569.92	80.27
1971	16	\$82.61	\$552.05	84.51	28	\$86.11	\$557.99	78.14	46	\$83.86	\$565.60	79.98	90	\$84.34	\$560.82	80.21
1972	28	\$84.61	\$517.87	81.21	37	\$87.33	\$564.35	75.00	43	\$90.33	\$571.40	81.47	108	\$87.82	\$555.11	79.19
1973	30	\$94.53	\$550.94	79.82	32	\$91.24	\$521.20	76.38	50	\$100.24	\$597.40	78.31	112	\$96.14	\$563.18	78.16
1974	26	\$95.80	\$519.20	83.59	45	\$98.18	\$522.40	77.29	49	\$93.97	\$517.38	80.61	120	\$95.95	\$519.66	80.01
1975	33	\$97.69	\$494.12	80.72	62	\$102.42	\$520.62	76.56	33	\$102.04	\$513.71	82.10	128	\$101.10	\$512.01	79.06
1976	32	\$120.46	\$517.20	84.27	53	\$111.52	\$548.21	75.34	39	\$113.27	\$548.21	77.61	124	\$114.38	\$540.21	78.36
1977	31	\$117.16	\$491.81	81.08	40	\$120.35	\$497.68	74.35	44	\$115.94	\$513.84	80.14	115	\$117.80	\$502.28	78.38
1978	32	\$132.28	\$515.45	81.16	56	\$136.09	\$527.68	74.01	38	\$135.82	\$519.81	79.90	126	\$135.04	\$522.20	77.60
1979	52	\$128.84	\$460.69	79.53	56	\$135.55	\$469.85	73.84	43	\$130.55	\$477.13	78.30	151	\$131.82	\$468.77	77.07
Tot/Avg	346	\$100.02	\$519.77	81.47	501	\$100.65	\$533.24	76.34	487	\$98.74	\$544.98	80.30	1,334	\$99.79	\$534.03	79.11

(1) Base benefits are paid by insurance carriers or self-insured employers.

Note: Table contains data on all active SIF, total disability and dependency cases receiving supplemental benefits as of 3/21/2014.

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	LOAN 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	0.4		36.8	1.4				7.7	6.4	56.4
FEBRUARY	56.4	1.8	1.9	3.7	0.3		31.3	1.3	(4.0)			1.0	6.1	26.7
MARCH	26.7	1.5	(0.3)	1.2	0.3		31.4	1.3			7.0	4.6	6.3	0.8
APRIL	0.8	7.7	16.6	24.3	0.3		35.5	1.9			10.0	6.0	7.1	(3.1)
MAY	(3.1)	76.0	79.0	155.0	0.3		37.0	1.4			(17.0)	31.4	6.9	121.3
JUNE	121.3	2.4	2.1	4.5	0.2		33.9	1.6	33.0	-		0.8	7.6	50.7
TOTAL	\$ 110.7	\$ 213.4	\$ 173.5	\$ 386.9	\$ 27.6	\$ 0.1	\$ 420.7	\$ 18.7	\$ 33.4	\$ 6.2	\$ -	\$ 84.2	\$ 79.8	\$ 50.7

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	\$ 50.7	\$ 56.7	59.1	\$ 115.8	\$ 0.2	\$ -	\$ 38.3	\$ 1.6	\$ -	\$ -	\$ 25.0	\$ 6.1	\$ 145.7
AUGUST	145.7	3.6	6.9	10.5	10.5	-	38.7	1.4			1.3	6.0	121.9
SEPTEMBER	121.9	0.6	0.7	1.3	9.6	-	37.1	1.5	0.8	6.9	-	6.1	80.4
OCTOBER	80.4	32.3	35.9	68.2	3.8	-	36.2	1.6			14.3	9.3	119.6
NOVEMBER	119.6	8.0	7.6	15.6	0.6	-	33.3	1.3			1.1	6.8	95.5
DECEMBER	95.5	0.3	0.3	0.6	0.2	-	31.7	1.4			-	6.8	56.4
JANUARY 2014	56.4	25.4	28.8	54.2	0.3	-	35.3	1.4			6.2	6.5	73.9
FEBRUARY	73.9	0.7	6.9	7.6	0.2	-	27.7	1.2			4.7	5.6	51.9
MARCH	51.9	1.9	2.1	4.0	0.2	-	32.3	1.3			0.1	6.5	16.1
APRIL	16.1	8.0	17.6	25.6	0.6	-	36.6	2.0			6.3	7.3	2.7
MAY	2.7	78.6	84.0	162.6	0.6	-	38.1	1.4			32.5	7.1	151.8
JUNE	151.8	2.5	2.2	4.7	0.7	-	34.9	1.6	40.4	8.0	0.8	7.8	65.3
TOTAL	\$ 50.7	\$ 218.6	\$ 252.1	\$ 470.7	\$ 27.5	\$ -	\$ 420.2	\$ 17.7	\$ 41.2	\$ 14.9	\$ 92.3	\$ 81.9	\$ 65.3

FY 2015
(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 2014	\$ 65.3	\$ 58.6	62.8	\$ 121.4	\$ 6.0	\$ 0.1	\$ 39.4	\$ 1.6	\$ -	\$ -	\$ 25.9	\$ 6.3	\$ 171.4
AUGUST	171.4	3.7	7.3	11.0	12.0	0.1	39.9	1.5			1.3	6.2	148.2
SEPTEMBER	148.2	0.6	0.7	1.3	4.0		38.2	1.5			-	6.3	107.5
OCTOBER	107.5	33.4	38.2	71.6	2.0		37.3	1.6			14.8	9.6	147.4
NOVEMBER	147.4	8.3	8.1	16.4	1.6		34.3	1.3			1.1	7.0	123.9
DECEMBER	123.9	0.3	0.3	0.6	1.0	-	32.7	1.4			-	7.0	84.4
JANUARY 2015	84.4	26.3	30.6	56.9	0.2	-	36.4	1.4			6.4	6.7	103.4
FEBRUARY	103.4	0.7	7.3	8.0	0.2	-	28.5	1.2			4.9	5.8	81.0
MARCH	81.0	2.0	2.2	4.2	0.2	-	33.3	1.4			0.1	6.7	44.1
APRIL	44.1	8.3	15.4	23.7	0.1	-	37.7	2.0			6.5	7.5	27.2
MAY	27.2	81.7	73.5	155.2	0.1	-	39.2	1.5			33.8	7.3	168.3
JUNE	168.3	2.6	1.9	4.5	0.1	-	35.9	1.7	40.4	8.0	0.8	8.0	79.7
TOTAL	\$ 65.3	\$ 226.5	\$ 248.3	\$ 474.8	\$ 27.5	\$ 0.2	\$ 432.8	\$ 18.1	\$ 40.4	\$ 8.0	\$ 95.6	\$ 84.4	\$ 79.7

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

Calendar Year 2011

REVISED

<u>Major Morbidity Group (code)</u>	<u>Number of Cases</u>	<u>Percent of Cases</u>	<u>Average Duration (days)</u>	<u>Average Gross Benefits</u>
Infectious and parasitic diseases (01)	1,298	1.3%	62	\$3,756
Neoplasms (02)	8,127	8.1	80	4,959
Allergic, endocrine, metabolic and nutritional (03)	2,477	2.5	65	3,908
Diseases of blood and blood forming organs (04)	308	0.3	63	3,619
Mental, psychoneurotic and personality disorders (05)	6,414	6.4	81	5,062
Nervous system and sense organs (06)	3,487	3.5	68	4,164
Circulatory system (07)	6,279	6.2	81	4,925
Respiratory system (08)	2,710	2.7	42	2,492
Digestive system (09)	6,838	6.8	44	2,684
Genitourinary system (10)	2,938	2.9	47	2,726
Pregnancy and complications of childbirth (11)	23,697	23.6	68	3,908
Skin and cellular tissue (12)	1,159	1.2	49	2,982
Bones and organs of movement (13)	18,766	18.7	84	5,102
Congenital malformations (14)	80	0.1	84	5,041
Hysterectomy (15)	645	0.6	53	3,062
Accidents, poisoning and violence (17)	13,574	13.5	74	4,342
Other ill-defined and unknown causes (16 & 18)	1,824	1.8	54	3,196
Total	100,621	100.0%	71	\$4,233

* Completed cases include those claims formally closed in the TDI database in 2011, as well as those with no payment activity for 90 days.

SCHEDULE IXA

TEMPORARY DISABILITY INSURANCE - STATE PLAN
SUMMARY OF MORBIDITY DATA COMPLETED CASES*

CALENDAR YEAR 2012

MAJOR MORBIDITY GROUP	NUMBER OF CASES	PERCENT OF CASES	AVERAGE DURATION	AVERAGE GROSS BENEFITS
INFECTIOUS AND PARASITIC DISEASES (01)	1,390	1.40%	64	\$3,993
NEOPLASMAS (02)	8,330	8.3	79	4,940
ALERGIC, ENDOCRINE, METABOLIC AND NUTRITIONAL (03)	2,460	2.4	63	3,853
DISEASES OF BLOOD AND BLOOD FORMING ORGANS (04)	327	0.3	60	3,471
MENTAL, PSYCHONEUROTIC AND PERSONALITY DISORDERS (05)	6,273	6.2	81	5,153
NERVOUS SYSTEMS AND SENSE ORGANS (06)	3,532	3.5	70	4,300
CIRCULATORY SYSTEM (07)	6,225	6.2	80	4,980
RESPIRATORY SYSTEM (08)	2,457	2.4	43	2,623
DIGESTIVE SYSTEM (09)	7,051	7	44	2,732
GENITOURINARY SYSTEM (10)	2,840	2.8	46	2,780
PREGNANCY AND COMPLICATIONS OF CHILDBIRTH (11)	24,011	23.8	67	3,896
SKIN AND CELLULAR TISSUE (12)	1,157	1.1	46	2,767
BONES AND ORGANS OF MOVEMENT (13)	18,781	18.6	84	5,153
CONGENITAL MALFORMATIONS (14)	86	0.1	88	4,952
HYSTERECTOMY (15)	554	0.5	51	3,090
ACCIDENTS, POISONING AND VIOLENCE (17)	13,539	13.4	74	4,432
OTHER ILL-DEFINED AND UNKNOWN CAUSES (16 & 18)	1,875	1.9	53	3,201
TOTAL	100,888	100.00%	70	\$4,273

*COMPLETED CASES INCLUDE THOSE CLAIMS FORMALLY COMPLETED IN THE TDI DATABASE IN 2012, AS WELL AS THOSE WITH NO PAYMENT FOR 90 DAYS.

**TEMPORARY DISABILITY INSURANCE FUND
FAMILY LEAVE ACCOUNT
CASH FLOW ANALYSIS**

**FISCAL YEAR 2014
(in millions)**

MONTH	BEG				END
	BLNCE	CONT	BNF	ADMIN	BLNCE
JULY 2013	\$ 15.1	\$ 25.0	\$ 6.1	\$ -	\$ 34.0
AUGUST	34.0	1.3	6.0		29.3
SEPTEMBER	29.3	-	6.1	6.9	16.3
OCTOBER	16.3	14.3	9.3		21.3
NOVEMBER	21.3	1.1	6.8		15.6
DECEMBER	15.6	-	6.8		8.8
JANUARY 2014	8.8	6.2	6.5		8.5
FEBRUARY (3)	8.5	4.7	5.6		7.6
MARCH	7.6	0.1	6.5		1.2
APRIL	1.2	6.3	7.3		0.2
MAY	0.2	32.5	7.1		25.6
JUNE	25.6	0.7	7.9	8.0	10.4
TOTAL	\$ 15.1	\$ 92.2	\$ 82.0	\$ 14.9	\$ 10.4

ASSUMPTIONS:

1. Benefits will increase by 3.0%.
2. The taxable wages will increase by 3.4% in CY 2014.
3. Actual through February

**FISCAL YEAR 2015
(in millions)**

MONTH	BEG				END
	BLNCE	CONT	BNF	ADMIN	BLNCE
JULY 2014	\$ 10.4	\$ 25.9	\$ 6.3	\$ -	\$ 30.0
AUGUST	30.0	1.3	6.2		25.1
SEPTEMBER	25.1	-	6.3		18.8
OCTOBER	18.8	14.8	9.6		24.0
NOVEMBER	24.0	1.1	7.0		18.1
DECEMBER	18.1	-	7.0		11.1
JANUARY 2015	11.1	6.4	6.7		10.8
FEBRUARY	10.8	4.9	5.8		9.9
MARCH	9.9	0.1	6.7		3.3
APRIL	3.3	6.5	7.5		2.3
MAY	2.3	33.7	7.3		28.7
JUNE	28.7	0.9	8.1	8.0	13.5
TOTAL	\$ 10.4	\$ 95.6	\$ 84.4	\$ 8.0	\$ 13.6

ASSUMPTIONS:

1. Benefits will increase by 3.0%.
2. The taxable wages will increase by 3.4% in CY 2014 and 3.9% in CY 2015.

**FISCAL YEAR 2016
(in millions)**

MONTH	BEG				END
	BLNCE	CONT	BNF	ADMIN	BLNCE
JULY 2015	\$ 13.6	\$ 26.9	\$ 6.5	\$ -	\$ 34.0
AUGUST	34.0	1.4	6.3		29.1
SEPTEMBER	29.1	-	6.5		22.6
OCTOBER	22.6	15.4	9.9		28.1
NOVEMBER	28.1	1.2	7.2		22.1
DECEMBER	22.1	-	7.2		14.9
JANUARY 2016	14.9	6.7	6.9		14.7
FEBRUARY	14.7	5.0	5.9		13.8
MARCH	13.8	0.1	6.9		7.0
APRIL	7.0	6.2	7.8		5.4
MAY	5.4	31.7	7.5		29.6
JUNE	29.6	0.8	8.3	8.0	14.0
TOTAL	\$ 13.6	\$ 95.3	\$ 86.9	\$ 8.0	\$ 14.0

ASSUMPTIONS:

1. Benefits will increase by 3.0%.
2. The taxable wages will increase by 3.9% in CY 2015 and 4.4% in CY 2016.

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

	Bonding Claims			Care Claims				Total
	Newborn	Adopted Child	Total Bonding	Child	Spouse	Other Family	Total Care	
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

¹Eligible claims are defined as eligible original determinations, plus eligible redeterminations, less ineligible redeterminations.

²Average cost per eligible claim is calculated as gross benefits divided by eligible claims.

³Estimated 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 their potential week of benefits.

Family Leave Insurance (FLI) Program
Average Cost and Estimated Average Duration for Eligible Claims
Calendar Year 2012

	Bonding Claims			Care Claims				Total
	Newborn	Adopted Child	Total Bonding	Child	Spouse	Other Family	Total Care	
Eligible Claims ¹	24,934	145	25,079	1,459	1,751	2,603	5,813	30,892
Gross Benefits (Millions)	\$66.2	\$0.4	\$66.7	\$2.6	\$3.3	\$4.9	\$10.8	\$77.5
Average Cost per Eligible Claim ²	\$2,656	\$2,867	\$2,658	\$1,791	\$1,897	\$1,884	\$1,864	\$2,508
Estimated Average Duration per Eligible Claim (weeks) ³	5.4	5.2	5.4	4.0	4.2	4.2	4.1	5.2

¹Eligible claims are defined as eligible original determinations, plus eligible redeterminations, less ineligible redeterminations.

²Average cost per eligible claim is calculated as gross benefits divided by eligible claims.

³Estimated 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 their potential week of benefits.

Schedule XII

PROGRAM	FY13 (Served)	FY13 (Received Training)	Cost per Participant Served	FY 14 YTD (Served)	FY 14 YTD (Received Training)	Cost per Participant Served	FY 15 Projection (Served)	FY 15 Projection (Received Training)	Cost per Participant Served
Workforce Development Partnership	57,890	57,453		34,271	34,181		43,783	43,683	
Customized Training ^{1,2}	51,989	51,898	\$347						
CT # when including CT-Literacy funds	68,518	68,518	269	30,217	30,217	\$335	38,300	38,300	\$300
Indv. Train.for DW (WDP-ITG) ³	397	397	4,454	657	657	4,948	1,330	1,330	6,000
YTTW	542	196	1,988	207	117	6,183	225	125	5,333
Smart STEPS	338	338	2,065	428	428	2,321	428	428	2,321
OSHA Safety Training	4,624	4,624	83	2,762	2,762	TBD	3,500	3,500	TBD
Workforce Investment Act (Total) ⁴	169,647	11,514	332	149,900	9,100	339	149,900	9,100	339
Adult	156,396	3,795	92	138,300	2,900	67	138,300	2,900	67
Dislocated Workers	8,548	4,882	1,839	6,000	3,900	2,334	6,000	3,900	2,334
Youth	4,703	2,837	2,836	5,600	2,300	3,429	5,600	2,300	3,429
Work First New Jersey	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/SNAP(Food Stamps)	9,734	3,212	2,916	8,053	2,530	3,663	8,300	2,600	3,435
All Workforce Development Programs	253,881	77,499		208,021	50,959		218,283	60,683	

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

² The CT program numbers reflect actual projections.

³ The revised WDP-ITG fund effective in FY13, is now deployed as Opportunity4Jersey and "Recovery4Jersey-OJT".

⁴ Adult served Includes 152,601 self-service only participants. Cost per reflects the same.

	FY 2014	FY 2015 (est.)
WDP - Ind. Grants (DW)	\$15,200,000	\$7,700,000
WDP - Disadvantage-Smart Steps	5,910,000	1,900,000
WDP - Customized Training	15,200,000	11,550,000
WDP - OSHA	1,450,000	1,145,000
WDP - YTTW	2,280,000	2,000,000
WIA - Dislocated Worker	34,280,662	38,580,867
WIA - Adult	20,840,954	24,644,654
WIA - Youth	21,422,496	25,513,414
WFNJ - TANF	47,838,306	47,838,306
WFNJ - SNAP/GA	29,517,694	29,517,694
Total:	\$193,940,112	\$190,389,935

Schedule XIII

WIA Funding Allocated to State and Local Recipients										
LOCAL AREA	ADULT	ADULT	ADULT	YOUTH	YOUTH	YOUTH	DISLOCATED	DISLOCATED	DISLOCATED	TOTALS
	PY 2012	PY 2013	PY 2014	PY 2012	PY 2013	PY 2014	WORKER	WORKER	WORKER	
			Estimated			Estimated	PY 2012	PY 2013	PY 2014	
									Estimated	
Atlantic	\$ 1,070,019	\$ 1,030,172	\$ 1,170,103	\$ 1,101,105	\$ 1,088,947	\$ 1,245,703	\$ 1,098,544	\$ 1,154,905	\$ 1,230,147	\$ 10,189,645
Cape May	<u>642,136</u>	<u>616,656</u>	<u>700,419</u>	<u>626,076</u>	<u>617,277</u>	<u>706,135</u>	<u>311,682</u>	<u>372,972</u>	<u>397,271</u>	<u>4,990,624</u>
(Atlantic/Cape May)	1,712,155	1,646,828	1,870,522	1,727,181	1,706,224	1,951,838	1,410,226	1,527,877	1,627,418	15,180,269
Bergen	1,121,824	1,256,141	1,426,765	1,048,754	1,197,552	1,369,942	1,845,536	2,042,803	2,175,891	13,485,208
Burlington	623,172	721,661	819,687	623,533	738,692	845,029	1,117,047	1,258,845	1,340,859	8,088,525
Camden	1,298,367	1,294,004	1,469,772	1,266,442	1,301,848	1,489,252	1,398,732	1,530,827	1,630,560	12,679,804
Cumberland	895,467	856,450	972,784	846,899	830,992	950,615	604,410	660,913	703,972	7,322,502
Salem	<u>172,225</u>	<u>166,661</u>	<u>189,299</u>	<u>170,710</u>	<u>169,678</u>	<u>194,104</u>	<u>186,251</u>	<u>216,538</u>	<u>230,645</u>	<u>1,696,111</u>
(Cumberland/Salem)	1,067,692	1,023,111	1,162,083	1,017,609	1,000,670	1,144,719	790,661	877,451	934,617	9,018,613
Essex	936,391	969,602	1,101,306	927,254	972,271	1,112,231	1,202,946	1,289,271	1,373,267	9,884,539
Gloucester	491,596	530,543	602,609	556,049	595,183	680,861	722,575	787,469	838,772	5,805,657
Somerset	312,495	363,741	413,149	287,752	352,098	402,784	680,650	832,550	886,791	4,532,010
Hunterdon	<u>132,060</u>	<u>158,965</u>	<u>180,558</u>	<u>125,335</u>	<u>154,144</u>	<u>176,334</u>	<u>269,988</u>	<u>273,815</u>	<u>291,654</u>	<u>1,762,853</u>
(Greater Raritan)	444,555	522,706	593,707	413,087	506,242	579,118	950,638	1,106,365	1,178,445	6,294,863
Hudson	980,183	989,103	1,123,455	887,760	935,552	1,070,226	829,710	942,112	1,003,490	8,761,591
Jersey City	997,145	954,152	1,083,758	1,005,820	988,262	1,130,524	498,299	566,817	603,745	7,828,522
Mercer	677,666	695,082	789,497	925,312	878,131	1,004,539	818,577	936,845	997,880	7,723,529
Middlesex	1,196,366	1,306,632	1,484,115	1,389,265	1,568,929	1,794,780	2,054,281	2,223,810	2,368,686	15,386,864
Monmouth	895,182	1,002,958	1,139,193	866,544	988,218	1,130,473	1,304,630	1,497,694	1,595,268	10,420,160
Morris	502,047	566,325	643,251	529,194	642,418	734,895	1,096,441	1,220,339	1,299,844	7,234,754
Sussex	205,862	235,431	267,410	197,474	233,638	267,271	335,867	366,751	390,645	2,500,349
Warren	<u>155,256</u>	<u>166,568</u>	<u>189,193</u>	<u>157,636</u>	<u>175,825</u>	<u>201,135</u>	<u>362,160</u>	<u>374,893</u>	<u>399,317</u>	<u>2,181,983</u>
(Mor/Sus/Warren)	863,165	968,324	1,099,854	884,304	1,051,881	1,203,301	1,794,468	1,961,983	2,089,806	11,917,086
Newark	2,131,383	2,040,793	2,318,000	2,087,149	2,055,012	2,350,835	834,299	870,416	927,123	15,615,010
Ocean	900,984	1,009,067	1,146,132	822,250	962,813	1,101,412	1,178,584	1,319,971	1,405,967	9,847,180
Passaic	1,799,182	1,735,055	1,970,733	1,817,131	1,798,551	2,057,455	1,480,768	1,727,953	1,840,529	16,227,357
Union	1,110,311	1,133,144	1,287,061	1,041,274	1,105,340	1,264,455	1,392,174	1,527,955	1,627,501	11,489,215
Total WIB Level:	19,247,319	19,798,906	22,488,249	19,306,718	20,351,371	23,280,990	21,624,151	23,996,464	25,559,824	195,653,992
State Level:	1,013,016	1,042,048	2,156,405	1,016,143	1,071,125	2,232,424	9,267,493	10,284,198	13,021,043	41,103,895
Total WIA:	\$ 20,260,335	\$ 20,840,954	\$ 24,644,654	\$ 20,322,861	\$ 21,422,496	\$ 25,513,414	\$ 30,891,644	\$ 34,280,662	\$ 38,580,867	\$ 236,757,887

Schedule XIV

WorkFirst Funding Allocated to State and Local Recipients							
LOCAL AREA	TANF	TANF	TANF	SNAP/GA	SNAP/GA	SNAP/GA	TOTALS
	FY 2013	FY 2014	FY 2015	FY 2013	FY 2014	FY 2015	
	Actual	Actual	Estimate	Actual	Actual	Estimate	
Atlantic	1,651,735	1,752,095	1,752,095	966,456	1,067,109	1,067,109	8,256,599
Cape May	<u>326,414</u>	<u>311,121</u>	<u>311,121</u>	<u>293,542</u>	<u>300,980</u>	<u>300,980</u>	<u>1,844,158</u>
<i>(Atlantic/Cape May)</i>	1,978,149	2,063,216	2,063,216	1,259,998	1,368,089	1,368,089	10,100,757
Bergen	1,081,971	1,132,603	1,132,603	463,736	499,112	499,112	4,809,137
Burlington	1,107,472	1,160,326	1,160,326	564,740	612,044	612,044	5,216,952
Camden	3,839,722	3,798,144	3,798,144	1,775,455	1,759,890	1,759,890	16,731,245
Cumberland	1,396,125	1,481,725	1,481,725	766,719	762,560	762,560	6,651,414
Salem	<u>633,026</u>	<u>636,938</u>	<u>636,938</u>	<u>209,496</u>	<u>190,640</u>	<u>190,640</u>	<u>2,497,678</u>
<i>(Cumberland/Salem)</i>	2,029,151	2,118,663	2,118,663	976,215	953,200	953,200	9,149,092
Essex	6,167,772	6,452,952	6,452,952	1,770,950	2,050,281	2,050,281	24,945,188
Gloucester	1,278,693	1,346,474	1,346,474	524,822	568,002	568,002	5,632,467
Somerset	571,773	576,871	576,871	196,517	203,500	203,500	2,329,032
Hunterdon	<u>149,541</u>	<u>119,944</u>	<u>119,944</u>	<u>86,980</u>	<u>87,215</u>	<u>87,215</u>	<u>650,839</u>
<i>(Greater Raritan)</i>	721,314	696,815	696,815	283,497	290,715	290,715	2,979,871
Hudson	4,570,671	4,565,131	4,565,131	1,236,731	1,408,715	1,408,715	17,755,094
Jersey City	861,042	823,434	823,434	289,099	307,009	307,009	3,411,027
Mercer	2,273,232	2,587,371	2,587,371	1,049,550	1,039,550	1,039,550	10,576,624
Middlesex	1,336,981	1,409,843	1,409,843	747,563	767,563	767,563	6,439,356
Monmouth	1,165,760	1,223,696	1,223,696	472,296	510,050	510,050	5,105,548
Morris	245,239	219,822	219,822	188,218	199,956	199,956	1,273,013
Sussex	170,166	145,872	145,872	64,515	62,949	62,949	652,323
Warren	<u>298,623</u>	<u>280,441</u>	<u>280,441</u>	<u>112,886</u>	<u>107,384</u>	<u>107,384</u>	<u>1,187,159</u>
<i>(Mor/Sus/Warren)</i>	714,028	646,135	646,135	365,619	370,289	370,289	3,112,495
Newark	662,853	662,853	662,853	553,551	596,806	596,806	3,735,722
Ocean	1,242,263	1,192,426	1,192,426	670,698	728,947	728,947	5,755,707
Passaic	3,697,645	3,905,050	3,905,050	1,933,859	1,957,554	1,957,554	17,356,712
Union	1,701,281	1,783,476	1,783,476	891,621	897,062	897,062	7,953,978
Total WIB Level:	36,430,000	37,568,608	37,568,608	15,830,000	16,684,878	16,684,878	160,766,972
State Level:	11,962,345	10,269,698	10,269,698	13,711,175	12,832,816	12,832,816	71,878,548
Total WFNJ:	48,392,345	47,838,306	47,838,306	29,541,175	29,517,694	29,517,694	232,645,520

Schedule XV

**Workforce Development
Fund Analysis
Final FY 2013 and Preliminary FY 2014 and FY 2015**

	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 2013 Allocation								
Available Carryforward	\$ 23,372,339	\$ -	\$ 7,297,085	\$ 878,937	\$ 8,282,774	\$ 1,737,540	\$ 1,142,881	\$ 4,033,122
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
Prior Year Fund Balance Adjustment-TBR	1,433,038	150,469	358,260	85,982	644,867	42,991	71,652	78,817
Appropriated Transfers (Administration)	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	4,000,439	16,751,623	4,222,483	30,618,374	2,048,767	3,425,138	5,473,176
Available to Allocate:	33,494,301	335,193	10,664,280	1,730,472	14,114,376	1,554,354	1,884,498	3,211,129
Fiscal Year 2013 Final								
Total Fund Balance July 1, 2012	43,375,141	-	10,333,309	4,296,712	20,992,216	1,759,407	1,852,063	4,141,434
Revenue	100,114,000	10,511,970	25,028,500	6,006,840	45,051,300	3,003,420	5,005,700	5,506,270
Exp @ 6/30/13	22,321,118	3,940,344	2,993,978	829,422	12,062,574	852,546	1,330,760	311,494
Diversion for DVR	9,000,000	945,000	2,250,000	540,000	4,050,000	270,000	450,000	495,000
Diversion for WFNJ & Youth Corp	64,597,512	5,626,626	17,305,491	3,875,851	29,068,880	1,937,925	3,229,876	3,552,863
Fund Balance @ 6/30/13	47,570,511	0	12,812,340	5,058,279	20,862,062	1,702,356	1,847,127	5,288,347
Encumbrances @ 6/30/13	20,954,111	-	1,313,320	546,044	15,698,557	952,841	731,647	1,711,702
Undesignated Fund Balance	26,616,400	0	11,499,020	4,512,235	5,163,505	749,515	1,115,480	3,576,645
Fiscal Year 2014 Allocation								
Available Carryforward	26,616,400	0	11,499,020	4,512,235	5,163,505	749,515	1,115,480	3,576,645
Estimated Receipts	99,000,000	10,395,000	24,750,000	5,940,000	44,550,000	2,970,000	4,950,000	5,445,000
Appropriated Transfers (Administration)	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
Diversion for WFNJ & Youth Corp	66,540,000	4,906,101	18,715,599	3,992,400	29,943,000	1,996,200	3,327,000	3,659,700
Available to Allocate:	42,171,400	0	14,260,498	5,919,835	14,115,348	781,887	2,226,887	4,866,945
Fiscal Year 2014 Est. Analysis								
Total Fund Balance July 1, 2013	47,570,512	0	12,812,340	5,058,279	20,862,062	1,702,356	1,847,127	5,288,347
Estimated Revenue	101,040,000	10,609,200	25,260,000	6,062,400	45,468,000	3,031,200	5,052,000	5,557,200
Projected Exp @ 6/30/14	32,374,662	3,051,263	4,362,968	3,757,216	17,310,371	928,071	1,557,535	1,407,238
Diversion for DVR	9,000,000	945,000	2,250,000	540,000	4,050,000	270,000	450,000	495,000
Diversion for WFNJ & Youth Corp	66,540,000	4,906,101	18,715,599	3,992,400	29,943,000	1,996,200	3,327,000	3,659,700
Projected Fund Balance @ 6/30/14	40,695,850	1,706,836	12,743,773	2,831,063	15,026,691	1,539,285	1,564,592	5,283,609
Projected Encumbrances @ 6/30/14	30,116,807	-	10,094,394	2,392,136	14,029,735	452,906	683,286	2,464,350
Projected Undesignated Fund Balance	10,579,043	1,706,836	2,649,379	438,927	996,955	1,086,379	881,306	2,819,259
Fiscal Year 2015 Est. Allocation								
Available Carryforward	10,579,042	1,706,836	2,649,379	438,927	996,955	1,086,379	881,306	2,819,259
Estimated Receipts	100,000,000	10,500,000	25,000,000	6,000,000	45,000,000	3,000,000	5,000,000	5,500,000
Appropriated Transfers (Administration)	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
Diversion for WFNJ & Youth Corp	66,540,000	6,717,562	16,635,000	3,992,400	28,789,138	1,996,200	3,327,000	5,082,700
Available to Allocate:	27,134,042	375	7,741,456	1,906,527	11,552,660	1,148,751	2,042,713	2,741,559
Fiscal Year 2015 Est. Analysis								
Total Fund Balance July 1, 2014	40,695,851	1,706,836	12,743,773	2,831,063	15,026,691	1,539,285	1,564,592	5,283,609
Estimated Revenue	103,040,000	10,819,200	25,760,000	6,182,400	46,368,000	3,091,200	5,152,000	5,667,200
Projected Exp @ 6/30/15	32,612,000	4,356,000	5,199,000	3,033,000	15,742,000	1,021,000	1,713,000	1,548,000
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	6,717,562	16,635,000	3,992,400	28,789,138	1,996,200	3,327,000	5,082,700
Projected Fund Balance @ 6/30/15	35,583,851	507,474	14,419,773	1,448,063	12,813,553	1,343,285	1,226,592	3,825,109
Projected Encumbrances @ 6/30/15	26,650,000	-	10,300,000	1,200,000	11,400,000	500,000	750,000	2,500,000
Projected Undesignated Fund Balance	\$ 8,933,851	\$ 507,474	\$ 4,119,773	\$ 248,063	\$ 1,413,553	\$ 843,285	\$ 476,592	\$ 1,325,109

Supplemental Workforce - Literacy Fund
Fund Analysis
Final FY 2013 and Preliminary FY2014 and 2015

		<u>10.00%</u>	<u>24.00%</u>	<u>28.00%</u>	<u>25.00%</u>	<u>13.00%</u>
Fiscal Year 2013 Allocation	Total	Admin	One Stop	WIB	Employers	NJCC
Available Carryforward @ 7/1/12	\$ 9,769,659	\$ 1,239,421	\$ 1,691,494	\$ 2,190,930	\$ 4,127,327	\$ 520,486
Estimated Receipt	25,000,000	2,500,000	6,000,000	7,000,000	6,250,000	3,250,000
Appropriated Transfers	(2,000,000)	(1,000,000)	(1,000,000)	0	0	0
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:	9,269,659	389,421	1,051,494	2,610,930	4,502,327	715,486
Fiscal Year 2013 Final Analysis						
Total Fund Balance @ July 1, 2012	15,039,689	1,332,303	1,691,494	3,592,280	7,903,125	520,486
Revenue	27,955,000	2,795,500	6,709,200	7,827,400	6,988,750	3,634,150
Expenditures @ 6/30/13	10,392,905	919,881	2,215,992	2,848,363	3,543,270	865,399
Youth Corp Diversion Exp@ 6/30/13	1,860,932	186,093	446,624	521,061	465,233	241,921
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
Fund Balance June 30, 2013	9,440,852	891,829	626,078	2,086,256	5,558,372	278,316
Encumbrances 6/30/13	5,439,343	349,761	437,253	771,912	3,880,217	200
Undesignated Fund Balance @ 6/30/13	4,001,509	542,068	188,826	1,314,344	1,678,155	278,116
Fiscal Year 2014 Allocation						
	Total	Admin	One Stop	WIB	Employers	NJCC
Available Carryforward @ 7/1/13	4,001,509	542,068	188,826	1,314,344	1,678,155	278,116
Estimated Receipt	26,000,000	2,600,000	6,240,000	7,280,000	6,500,000	3,380,000
Appropriated Transfers	(2,000,000)	(1,000,000)	(1,000,000)	0	0	0
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:	7,001,509	42,068	388,826	2,714,344	2,928,155	928,116
Fiscal Year 2014 Projected Analysis						
Total Fund Balance @ July 1, 2013	9,440,852	891,829	626,078	2,086,256	5,558,372	278,316
Anticipated Revenue	28,413,000	2,841,300	6,819,120	7,955,640	7,103,250	3,693,690
Projected Expenditures @ 6/30/14	9,092,778	826,573	1,753,563	1,958,217	3,626,424	928,000
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	7,761,074	806,556	651,635	2,203,679	3,785,198	314,006
Projected Encumbrances 6/30/14	4,670,209	0	0	1,514,027	3,156,182	0
Projected Undesignated Fund Balance @ 6/30/14	3,090,865	806,556	651,635	689,652	629,016	314,006
Fiscal Year 2015 Projected Allocation						
	Total	Admin	One Stop	WIB	Employers	NJCC
Available Carryforward @ 7/1/14	3,090,865	806,556	651,635	689,652	629,016	314,006
Estimated Receipt	27,000,000	2,700,000	6,480,000	7,560,000	6,750,000	3,510,000
Appropriated Transfers	(2,000,000)	(1,000,000)	(1,000,000)	0	0	0
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:	7,090,865	406,556	1,091,635	2,369,652	2,129,016	1,094,006
Fiscal Year 2015 Projected Analysis						
Total Fund Balance @ July 1, 2014	7,761,074	806,556	651,635	2,203,679	3,785,198	314,006
Anticipated Revenue	29,513,000	2,951,300	7,083,120	8,263,640	7,378,250	3,836,690
Projected Expenditures @ 6/30/15	9,644,000	1,400,000	2,000,000	1,850,000	3,300,000	1,094,000
Projected Youth Corp Diversion Exp @ 6/30/15	2,200,000	220,000	528,000	616,000	550,000	286,000
Projected Comm College Diversion Exp @ 6/30/15	18,800,000	1,880,000	4,512,000	5,264,000	4,700,000	2,444,000
Projected Fund Balance June 30, 2015	6,630,074	257,856	694,755	2,737,319	2,613,448	326,696
Projected Encumbrances 6/30/15	4,000,000	0	0	2,000,000	2,000,000	0
Projected Undesignated Fund Balance @ 6/30/15	\$ 2,630,074	\$ 257,856	\$ 694,755	\$ 737,319	\$ 613,448	\$ 326,696

**Workforce Investment Act
Summary of Statewide Activity
FY 2012 thru FY 2014**

Programs	FY 2012	FY 2013	Estimated FY 2014
One Stop Program and Support Administration	\$ 3,124,551	\$ 2,541,153	\$ 2,425,489
Eligible Training Provider List - ORI	167,896	205,702	240,691
State Employment and Training Commission	200,000	179,006	294,539
New Jersey Institute of Technology	176,499	108,870	14,800
Rutgers - Consumer Report Card	86,479	23,521	25,265
Project Self Sufficiency Program	1,453,141	32,785	0
Montclair State Evaluation	20,000	0	0
JAG	384,447	0	0
Central Jersey Community Development	24,994	0	0
Entrepreneurial Training Program	878,832	0	0
Project Reemployment Opportunity Services	4,754,236	2,939,898	2,276,226
Rapid Response Team	3,599,589	4,262,010	4,346,735
Jersey Job Club	953,408	2,378,198	2,211,563
Talent Networks (Que. 1b.a)	0	666,080	1,150,000
Total:	\$15,824,072	\$13,337,223	\$12,985,308

Schedule XVIII

NJ BUILD PROGRAM Revenues Collected

<u>Agencies that provided funds</u>	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual and Estimated FY 2014 *	Estimated FY 2015
Dept of the Treasury	\$ 149,294	\$ 143,171	\$ 108,379	\$ 278,516	\$ 174,797	\$ 60,793	
Dept of Transportation	996,976	1,565,756	1,345,105	937,623	860,858	110,368	
NJ Transit	136,537	76,317	201,839	136,932	29,424	18,092	
Casino Rdvlp. Authority	12,570	-	239,277	-	-	25,973	
NJ Turnpike Authority	-	1,226,296	4,744,132	3,447,530	3,624,522	493,344	
Others	-	-	40,150	157,446	7,157	-	
Anticipated Revenues	-	-	-	-	-	750,000	1,500,000
Total Revenues	<u>\$ 1,295,377</u>	<u>\$ 3,011,540</u>	<u>\$ 6,678,883</u>	<u>\$ 4,958,047</u>	<u>\$ 4,696,758</u>	<u>\$ 1,458,570</u>	<u>\$ 1,500,000</u>

Expenditures

	Actual FY 2009	Actual FY 2010	Actual FY 2011	Actual FY 2012	Actual FY 2013	Actual and Estimated FY 2014 **	Estimated FY 2015
Salaries and other costs	\$ 34,287	\$ 24,797	\$ 90,727	\$ 166,460	\$ 201,072	\$ 675,000 **	675,000
Training Grants (Expended/Obligated)	88,972	351,557	466,040	907,683	846,711	800,000	800,000
Total Expenditures	<u>\$ 123,260</u>	<u>\$ 376,354</u>	<u>\$ 556,767</u>	<u>\$ 1,074,143</u>	<u>\$ 1,047,783</u>	<u>\$ 1,475,000</u>	<u>\$ 1,475,000</u>
Amount Lapsed to General Revenue		\$ 1,500,000	\$ 5,000,000	\$ 6,000,000	\$ 4,900,000	\$ -	\$ -
Amount carried forward to next FY	\$ 1,172,117	\$ 2,307,303	\$ 3,429,418	\$ 1,313,322	\$ 62,297	\$ 45,867	\$ 25,000

TBD = To be determined

* Actual receipts as of March 28, 2014

** Administrative costs for FY 14 and FY 15 include the AA/EEO compliance unit.

Schedule XIX

LABOR STANDARDS
REVENUE WORKSHEET
STATE FISCAL YEARS 2012 - 2014

Question 30a

10-Apr-14

LABOR STANDARDS	ACTUAL REVENUE <u>THRU 6-30-12</u>	ACTUAL REVENUE <u>THRU 6-30-13</u>	PROJECTED REVENUE <u>THRU 6-30-14</u>
Miscellaneous Fines and Penalties	\$ 477,321	\$ 502,575	\$ 448,643
Crane Operators	93,430	107,315	131,865
Boiler Fees and Penalties	6,197,133	6,187,647	6,513,952
Asbestos Fees and Penalties	1,304,238	1,455,287	1,514,069
Wage and Hour Fees and Penalties	4,142,620	3,596,793	3,902,427
Apparel Fees and Penalties	106,017	92,850	94,000
Public Works Contractors Registration	<u>3,109,906</u>	<u>2,825,094</u>	<u>3,563,054</u>
Total	<u>\$ 15,430,664</u>	<u>\$ 14,767,560</u>	<u>\$ 16,168,009</u>

Question 30c

<u>Description</u>	<u>Amount</u>
FY 2013	
OCCUPATIONAL SAFETY HEALTH ACT, ON-SITE CONSULTATION	\$ 1,808
MINE SAFETY EDUCATIONAL PROGRAM	27
FEDERAL PUBLIC EMPLOYEES OCCUPATIONAL SAFETY AND HEALTH ACT	<u>1,333</u>
	\$ 3,168
FY 2014 and FY 2015	
OCCUPATIONAL SAFETY HEALTH ACT, ON-SITE CONSULTATION	\$ 2,600
MINE SAFETY EDUCATIONAL PROGRAM	110
FEDERAL PUBLIC EMPLOYEES OCCUPATIONAL SAFETY AND HEALTH ACT	<u>2,250</u>
Sub-Total Federal (Non State Funds)	4,960
Additional Revenues	<u>11,531</u>
Total	<u>\$ 16,491</u>