
Public Hearing

before

SENATE LABOR COMMITTEE

*“Testimony on workforce development initiatives of
various government and business entities”*

LOCATION: Committee Room 1
State House Annex
Trenton, New Jersey

DATE: October 17, 2002
10:00 a.m.

MEMBERS OF COMMITTEE PRESENT:

Senator Joseph Charles Jr., Co-Chair
Senator Leonard Lance, Co-Chair
Senator Joseph Coniglio
Senator Stephen M. Sweeney
Senator Anthony R. Bucco
Senator Robert E. Littell



ALSO PRESENT:

Dana A. Fraytak

Patrick Gillespie

Laurine Purola

*Office of Legislative Services
Committee Aide*

*Senate Majority
Committee Aide*

*Senate Republican
Committee Aide*

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SENATOR JOSEPH CHARLES JR. (Co-Chairman): Good morning. Let me give you, first, a little information. Co-Chairman Lance is at another meeting. He'll be here shortly. The same is true of Senator Bucco, who will be here shortly. Senator Sweeney is in the building, and he will be arriving shortly also. In fact, he's coming through the door right now. Senator Coniglio is caught up in the traffic of the Turnpike and 195 back-up. So, since we have everyone here this morning, all the commissioners with very important things on the rest of their day's agenda, I don't want to delay the beginning of this hearing. I think we'll start even in their absence. We will, through materials you submit and through other devices, fill those in on what occurs in their absence.

Let me first indicate that, as you well know, that this is the first of two Senate Labor Committee hearings on the subject of workforce development issues. It has often been said that the most important asset of any business or organization is not their product line or machinery, but rather the people that comprise the organization. In New Jersey, the public sector spends billions of dollars each year improving the physical capital of our highways, bridges, public facilities, while the private sector spends millions on new equipment and machinery.

I believe that the investments we make in worker training and skills development are no less important. We live in uncertain economic times, and it is more critical than ever that we have a confident, well-trained workforce. One of the main reasons that businesses look to locate in New Jersey is the presence of a highly educated and skilled workforce. If we are not

diligent in maintaining such a workforce at every income level, then we will no longer be economically competitive with other states.

During the course of today's hearing, we will hear from the leaders of the State departments and agencies that administer these programs. It is my hope that today's hearing will not generate heat for these witnesses, but rather some light on the various workforce investment initiatives the State undertakes.

At the next hearing, which will be held on October 28, we will hear from members of the public, and hopefully, members of the business community that interact with these programs on a regular basis. When these hearings have concluded, I expect the Committee to have a better understanding of how these programs currently function, what aspects of them work well, and what aspects of these programs could use improvement.

Today's witness list includes the directors of three of our State departments: The Department of Labor, the Department of Human Services, the Department of Corrections, the Department of Education; and we also have the Executive Director of SETC and the Chairman of SETC.

The first witness we'll call is Commissioner Albert Kroll of the Department of Labor. He'll be followed by Commissioner William L. Librera, Department of Education.

COMMISSIONER ALBERT G. KROLL: Good morning, Senator.

SENATOR CHARLES: Welcome, Commissioner. It's good to have you with us this morning.

COMMISSIONER KROLL: Thank you. It's always a pleasure being back.

Senator, when I first was testifying before the Committee with respect to my confirmation, I had made the issue, as my number one priority, was a development of a better skilled and educated workforce. And that is still the number one priority that I have.

So, at this point, Senator, I'd like to make some opening comments. I believe that that's been distributed to you. (indicating statement) So I'll just read it now and go through it quickly.

I appreciate this opportunity to speak with you about the New Jersey Department of Labor's efforts to develop the more highly skilled and proficient workforce that is needed to maintain and attract better paying jobs.

In this information- and technology-based economy, the best jobs can go anywhere, and they will go to where there are the best-prepared workers. Clearly, workforce development is and will be the key to economic development in New Jersey.

For New Jersey to succeed in today's rapidly changing economy, we must be able to field workers who have the tools not only to perform new and emerging jobs, but also have the skill and the support systems to continue upgrading their skills as job demands change.

New Jersey's varied workforce development efforts already are being challenged to provide a cohesive and systematic approach to meeting the needs of our employers and workers. Today, we have a highly fragmented system that makes it difficult for workers and employers to easily find the

employment and training services they need. It is a system that makes it hard to focus our limited resources as effectively as we must.

There is a national challenge, and it is a challenge in which New Jersey must take a leadership role if we are to maintain our economic vitality and quality of life. Other states, including North Carolina and Michigan, have recognized this situation and have taken steps to address this challenge. Like them, New Jersey must be committed to a strong, focused, and coherent workforce development system.

Simply put, employers nationwide agree that there is a significant gap between the skills of available workers and the skills needed for existing jobs. That mismatch will continue to grow in New Jersey if we do not address it now. Analysts project that by 2010, the U.S. labor force will fall more than 4.8 million workers short of meeting the demands of an estimated 58 million job openings. That means that New Jersey will face dual challenges of a tight labor market and increasing demands for higher skill levels.

The State Employment and Training Commission's white paper, entitled, "New Jersey in Transition, The Crisis in the Workforce," clearly identifies the major issues impacting New Jersey's workforce system.

Senator, just in regards to the SETC itself, that was created by Governor Kean in 1987.

The bottom line, again, is that there is a huge gap between the demands of the labor market and the skills of the workforce. Almost 40 percent of New Jersey's adult population functions below a literacy level required by this labor market.

In 1998, the Federal Workforce Investment Act was passed to create a workforce system that connects employment, training, and education services to better match workers to labor market needs. Implementing this program has posed serious challenges. It required streamlining and integrating 17 diverse, Federally created programs into a comprehensive, One-Stop Career System without consolidating the funding or standardizing performance measures. Two of the critical pieces for an effective workforce development system in New Jersey include adult literacy and the “To Work” efforts of the system, to prepare workers for good jobs and referring them to these jobs.

With respect to literacy, as one example of how broadly fragmented these efforts are, you can look at New Jersey’s adult literacy program.

And attached to my opening statement, Senators, are two exhibits. One, the first one, Exhibit A, deals with the funding for adult literacy and basic education. And, Senator, when you look at that document, it looks like someone designing an atomic bomb. Do you have that, Senator, in front of you?

SENATOR CHARLES: Is it attached to your statement?

COMMISSIONER KROLL: Yes, it should have been.

SENATOR SWEENEY: Is it a chart?

COMMISSIONER KROLL: Yes, let me pass that up. (indicating chart)

When you look at that chart, Senator, that chart shows the funding streams that come down just with respect to adult literacy. You will

see, Senator, that it is extremely confusing, fragmented. It is a system that is extremely difficult to follow.

SENATOR CHARLES: One moment, Commissioner.

COMMISSIONER KROLL: Sure.

SENATOR CHARLES: Thank you for the pause.

I'd like to welcome Senator Littell and Senator Lance to the hearing, and Laurine.

COMMISSIONER KROLL: Good morning, Senators.

As you can see from the chart, Senators, this effort in regards to adult literacy is operated by four State government departments and three non-government entities in New Jersey. The effort is funded by at least 27 different and independent funding streams, and each funding source has its own eligibility requirements, accountability measures, application procedures, fiscal calendar, and reporting requirements.

Adult literacy is no small matter in the development of a high-quality workforce. As you know, New Jersey's workforce has grown, over the past 10 years, with the arrival of immigrants from many nations where English is not the main language. Of the people who file for public assistance, more than half cannot read at a ninth-grade level. In addition, many workers now in the labor force do not have the reading, math, computer, or English language skills to learn a new skill or to keep pace with the changes in the workplace.

Over the past nine months, the Department of Labor has taken steps to address this and other issues to improve the State's workforce delivery system. The Labor Department has been working closely with the SETC's

Council on adult literacy education in developing the framework for the Supplemental Workforce Fund for Basic Skills program. Since the enactment of this bill, 14 literacy programs have been established and more than 1700 individuals have attended literacy training. Within the next 12 months, literacy programs will be expanded by at least 50 percent. These literacy programs are linked to the One-Stop Career Systems and focus on workplace literacy.

We are also bringing workforce literacy training into the workplace, by dedicating approximately \$6 million in funding to this effort. Literacy skills include English competency, basic math, and basic computer skills. Since July 1, 2002, the Department of Labor has received literacy grant applications from 71 companies or consortia to train their workers.

The next issue is in regards to the customized training and partnerships with employers. Customized training has proven to be an effective means of increasing the skills of our workforce through training partnerships with employers. This year, the Department of Labor will invest approximately \$25 million in customized training grants to provide workforce training in the private sector, and these funds will be matched by employers with \$25 million of their own resources. The grants will help nearly 300 companies become more productive and competitive while they help more than 31,000 workers improve their skills and marketability.

Additionally, the program has provided an opportunity for New Jersey's community colleges and other institutions of learning to develop long-term relationships with the State's business community by developing

specialized training programs and specific curricula to meet their training needs.

Another issue that we have developed is the women in the workforce. The Department has creatively addressed training needs of women. Through the Women in the 21st Century Program, single, working mothers are provided an opportunity to take courses at home to further their education. To achieve this, the participants are provided personal computers, and upon completion of the program, they are able to keep the computers. In addition to helping these individuals, software is installed on these computers to educate the children. Currently, over 150 women in the counties of Cumberland, Middlesex, Monmouth, Morris, Sussex, and Warren are participating in the program. This is a program that has a great deal of value. And there's nothing worse than a single mother having to come home and being forced to go someplace at the end of the day, working, with two or three kids, and then have to go to a library, or someplace like that, to develop computer skills and advance themselves.

This is a program that we're going to look to expand. These are pilot programs that we've set up. They have been very successful, and the additional benefit here is the fact that these children are being exposed to computers for the first times in their lives.

Another issue that we have is school construction training. The Department is also working to provide women with job opportunities in the building trades. This year, the Department has awarded a number of grants to train women and minorities in urban districts in the construction trades as part of the school construction initiative. This effort will help prepare workers

living in the *Abbott* districts to qualify for good-paying construction jobs and help develop a pool of skilled workers to replace many older workers expected to retire from the trades during this decade.

Other agency partnerships -- apparently, working together with the Departments of Labor and Human Services -- have been the primary agencies for implementing the welfare reform programs. Since July 2001, the Work First New Jersey program has trained over 7000 individuals. The Welfare-to-Work program has trained close to 2000 individuals.

We do recognize that the workers in this labor pool may have specific barriers to employment, and we are addressing these needs. The Department of Labor and the Department of Human Services have worked together to ensure that these barriers are promptly identified and that the appropriate services are offered. Special emphasis is placed on providing awareness for the support services available, including child care, transportation subsidies, health care, and continuing education opportunities.

One exciting addition to the New Jersey One-Stop Centers is the establishment of child drop-off centers. By providing child care on site at the centers, parents can participate in literacy; career workshops, such as résumé writing, and job interview skills; training opportunities; and professional development programs. Over the next year, concentration will focus on post-employment and job retention strategies.

Let me just say, now, with respect to the issue of child care at these One-Stop Centers, they have been established in Cumberland and in Essex. We are going to shortly establish -- it should be up by the end of year with

respect to Camden. When I went to the various One-Stops throughout the State of New Jersey, it became very clear to me that there was a lacking of child care at these sites. People come in to be trained, many of them are single mothers. They have no place to bring the children to while they're being trained. It's critical. I mean, to me it makes sense to have a place they can come with their children, drop the children off, spend three or four hours being trained, receiving the help they need. I mean, I walked into classes where the mother was attempting to take a computer course -- at the same time would have a child sitting next to her. It doesn't work. So we are establishing these child care drop-off centers throughout the One-Stops in the state.

Partnerships serving business: The Department is also working with the Workforce Investment Boards to establish business service centers to service the needs of local employers. These centers will be aligned with the One-Stop Career Centers and will serve as a single-access point for employers in obtaining information and services.

One of the things I've noticed in the last nine months since I've been acting as Commissioner of Labor, large companies, mid-sized companies, they know where to go to get workers, etc. They do a much better job than the smaller companies do. One of the emphases that we hope to develop with these business service centers is to really cater to the small company in that area, and this is where they're better able to do it on the local level, at the One-Stop Centers and with the WIBs, because they know the local employers in that area. So by establishing this, we're hoping to get the small employer -- where he can come in and obtain -- use these sources to obtain people for employment, explain to us what they need, as far as skills, etc. So I'm hoping

that it's successful. We are going to start marketing this approach, really, to the small employer in each area.

The U.S. Department of Labor has recently established a Business Relations Group to help major national employers understand and navigate the workforce investment system, so they can connect with the workers they need. New Jersey is currently participating in these efforts by partnering with employers, such as Home Depot and Toys R Us.

The other thing that we've started in the last few months -- this is called a Demand-Side Study. We already know that defining skill requirements is an essential component for successful workforce development. The availability of a skilled labor force depends on the ability of the State to determine the skills required by the employer community. To address this issue, the Department of Labor, in conjunction with the State Employment and Training Commission, the Department of Education, and the local Workforce Investment Boards, have embarked on a Demand-Side Study with the Heldrich Center. This study will provide a wealth of information on the skills that are needed by the employer community over the next few years.

What this comes down to is, the Department of Labor has a great deal of ability. I have never seen a Department that could produce information that you need with respect to where we have been and where we are. What is missing is where we're going to be five years from now. What skills are going to be the skills that we need five years from now. This study, which is really involving -- quite frankly, it's going to place a burden on the employer industry, and we're going to be doing focus meetings with the employers for them to tell us where they see their industries going in five years,

what skills are going to be needed in five years. We don't want to be in the same position that we're in today, when there's a nursing shortage because we didn't see that five years ago. This is what this whole study is about. It's specifically targeted to six major industrial areas.

Other partnerships that we've established: We've identified new ways to consolidate services by building local partnerships with, and joining efforts with, other State agencies. We currently have joint initiatives in place with the Departments of Human Services, Corrections, Agriculture, Commerce, and Education, as well as a myriad of local, community, faith-based, and educational organizations and institutions. Since July of 2001, over 30,000 people have been trained statewide through the Workforce Investment Act training program.

The Workforce Development Partnership Program provides another training initiative designed at strengthening the skills of the unemployed, the underemployed, displaced workers, and the economically disadvantaged by offering individual training grants. From July of 2001 until the present, over 5000 New Jersey residents have taken advantage of these grants of approximately \$4000 each to cover their training costs. Although the individuals are very involved in the choice of training, again, it must be in a labor-demand occupation.

Youth transitions to work, obviously, is another priority of this administration. The Youth Transitions to Work Partnership program is the State's school-to-registered-apprenticeship program. The purpose is to facilitate effective transitions by young people to high-skill, high wage employment in long-term career opportunities.

The Apprenticeship Policy Committee has encouraged programing that will prepare youth for apprenticeships upon graduation from high school. The program is locally implemented by consortia, including schools, organized labor, employers, and other local entities.

In conclusion, workforce development is a continuum and must be viewed as a long term and managed with consistent focus. Successful economic development goes hand-in-hand with a well-functioning workforce development system. Success is possible only through strong partnerships among the many stakeholders involved: business leaders, workforce boards, One-Stop Career Centers, educational institutions, and others. The One-Stop System recognizes that one of the most critical partners in this is the business community. Those leaders are invited to play a vital role in helping us to build a stronger workforce.

However, with all of our partnerships and all of our cooperation, the fact remains that this complex system is too fragmented and too dispersed to provide the effective, proactive approach needed by a strong workforce development system. For that reason, Governor James E. McGreevey has appointed a new task force of commissioners from the Departments of Labor, Human Services, Education, and Corrections to move forward with the recommendations set forth in the SETC's white paper.

I'm certain that together we will find solutions to make this critical system more effective. I ask your help to support our efforts, because the future success of New Jersey's economy rests on the ability of our workforce development system to create the quality workforce we need.

Thank you.

SENATOR CHARLES: Thank you, Commissioner Kroll.

I have a question. At the conclusion of your remarks, you indicated that the Governor has created this task force consisting of the various departments to try to straighten out the fragmentation and the dispersal of all of these programs. And, obviously, one of the reasons that this Committee has called these hearings is to get at that, to determine whether or not we can do that -- that is, eliminate the fragmentation, promote efficiency, and so on. Now, what's the time line for that task force to meet and to make its recommendations, and what are the prospects of coming up with something that's doable? I mean, is there going to be inter-departmental cooperation, with the mutual interests, in consolidating and making more efficient, or is that not something that is practical?

COMMISSIONER KROLL: Time wise -- my understanding, the time wise is until December 31, this year.

SENATOR CHARLES: This year?

COMMISSIONER KROLL: Yes.

SENATOR CHARLES: Have you been meeting?

COMMISSIONER KROLL: We started meetings. We had our first meeting last week. There has been initial meetings before. This is something that, I think, all the commissioners in the various departments recognized when we came on board, that in this area of workforce training the system is just too fragmented. It's too diverse. Part of the problem, quite frankly, does not just lie in New Jersey. This is a nationwide problem. The way the Federal government has set up these streamlines of moneys coming in is so diversified over so many departments. So that is part of the problem. I

think the commissioners that are in this room today know that we have to work on this. We know we have to make the system better.

I just have a basic driving position on this. Workforce is to serve two entities. One is to serve the individual who needs the opportunities, who needs the training. Two is to serve the business world, which is, really, I'd refer to, as the end product of this, because we need to make our companies more competitive. I've testified before. I can remember Senator Lance sat in on my confirmation hearings. I don't believe in cutting wages and cutting benefits as a way of becoming more effective, more competitive. That's not the way New Jersey should go. Frankly, we could cut benefits and cut wages in New Jersey for the next 10 years, and we're still not going to compete in that area, for the simple fact that southern states or South America or, now, the Far East is going to cut them even more. So the only way we can compete is by providing this kind of workforce training, a system that is not fragmented. We are going to work on it. We're going to work forward on it. Has it been tried in the past? I think, as every senator in this room knows, it has been tried in the past administrations, and, because of the bureaucracy, has just been given up. We're going to move forward. We're going to get it done.

SENATOR CHARLES: What percentage of the problem is Federally caused, that is, through Federal legislation and what it says versus New Jersey and its structure and its numbers of departments? How much can we in New Jersey do? What percentage of the problems can be corrected by New Jersey action, independent of Federal participation and cooperation?

COMMISSIONER KROLL: I think we can move forward with correcting about 50 percent to 60 percent. The inherent problem is -- you'll

hear testimony on the second day from the local levels, the people who deal with these programs on a local level. Just to give you an example, these funding streams all have different fiscal time periods. Some are based on calendar years. Some are based on the fiscal year. We have some that end on October 31 and begin on November 1. What that means, from the Federal government level, I have no idea -- why you would have a one-year fiscal period set up that way. So what they're constantly caught in is this system of -- were providing them with money, they're reporting back on the various programs, but they're all different funding years, etc.

I think we can move it along a long ways by adopting the white paper's positions and the recommendations, and just moving forward that way.

SENATOR CHARLES: You mentioned North Carolina and Michigan. Are they doing something? You mentioned them as states which have some active program or some initiative going forward to accomplish what it is that we hope to accomplish by these hearings. What have they done? What are they doing?

COMMISSIONER KROLL: They've actually accomplished -- Michigan, under Governor Engler, was the first one to move forward in this area and actually did the complete integration of all the to-work programs, etc. They recognized that they're fragmented, and he just went ahead and did it and pushed it.

SENATOR CHARLES: Is their model something that would be useful for us?

COMMISSIONER KROLL: Yes, no question.

SENATOR CHARLES: All right.

Senator Sweeney.

SENATOR SWEENEY: Commissioner, I have one question for you. You were talking about child care with One-Stops in Cumberland, which I'm very happy has one, and you said Camden is also getting ready to go on line.

COMMISSIONER KROLL: In the process of developing one, yes.

SENATOR SWEENEY: Is there a plan and time line for all counties to be able to have this program, or is it planned for all counties? I guess one question is, is there a plan for all 21 counties to have this child care with the One-Stop?

COMMISSIONER KROLL: That is my goal. I will tell you now, Senator, is that one of the things that you run into, and this is part of the State bureaucracy, quite frankly, is one of the things we run into is leases and space. It runs the gamut throughout the entire state.

One of the things that I had done when I came in -- and I know I had told Senator Lance that I was going to do this -- I evaluated each WIB throughout the state. We've done a written evaluation, and I'm now calling the WIBs in and going over those written evaluations. One of the problems we have, consistently, had is locations of the One-Stop Centers, etc. There has been a turf battle that has been on-going with county One-Stops, city One-Stops, State One-Stops. It got to the point there was a thing called *branding*. I thought they were talking about cattle when I first got there. (laughter)

SENATOR LANCE: We were, in Hunterdon. (laughter)

COMMISSIONER KROLL: And, in fact, it was designating a name for a One-Stop. Names are not what I'm into. So, actually, we were able to, actually, devise a name that everyone has agreed to for the One-Stop Centers.

When you look at the leases and you look at the space and you go to the One-Stops, there are certain ones that do have the room to expand, other ones don't have the room to expand. Those that don't have the room to expand, that provide the necessary services of all the partners, that are present at one location, we're attempting to get them out of leases and getting them into larger locations, that they can have all the partners on board, including a child care drop-off center, the literacy labs programs, etc.

SENATOR SWEENEY: One last question. How soon -- and believe me, I'm a big supporter of this, because I know that is one of the major stumbling blocks from getting people help -- how soon do you think that the State will be in position to have all 21 counties? I mean, the time line -- is there anyway of placing a time line or -- not one to be held to, but one that -- your goal where you're shooting for?

COMMISSIONER KROLL: I would like to have -- and people in the Department sometime say I'm not very realistic -- I think realistically, by the end of the next three years, we should have a child drop-off center in every One-Stop. It's got to be done. It just has to be done.

SENATOR SWEENEY: Yes.

COMMISSIONER KROLL: It's just not the way to go without it.

SENATOR CHARLES: Senator Littell.

SENATOR LITTELL: Thank you, Mr. Chairman.

Commissioner, first let me congratulate you on running a top-flight Department--

COMMISSIONER KROLL: Thank you, sir.

SENATOR LITTELL: --during a very difficult period of time, probably is as tough a time as I've ever seen in my lifetime. We're going to make it, and we will prevail. But you've done a good job in keeping people employed and keeping the unemployment rolls down, and I think that you deserve a lot of credit for that.

You know the PROS Program? It's a program where people come in and get help to find a job that they're suited for. They can send out their résumés on a computer.

COMMISSIONER KROLL: Correct.

SENATOR LITTELL: They can do a lot of work in the office.

COMMISSIONER KROLL: That's the professional employee, yes.

SENATOR LITTELL: In my small town of Franklin, in Sussex County, we have a PROS Office. They place more people than any other PROS Office in the State of New Jersey on a consistent basis. So there's something to be said for the individual running the department, field office, or whatever you refer to it as. You might want to take a look at what they're doing -- it's, maybe, different than what somebody else is doing -- and see if we can't improve on that.

COMMISSIONER KROLL: Senator, one of the-- As I said on this evaluation of the One-Stop Centers, that I asked for to have done, there are some that are functioning very well. There are some in the middle, and

there are some that are not functioning to the level that I would expect they should be. One of the things I promised was that I would do the evaluation first and go visit -- see the best ones, see what they're doing correct, and then meet with the other ones and find out what they're doing wrong -- and if the ones that are doing it right, what they're doing, to show them. There are certain WIBs in the state that are absolutely functioning above and beyond. I mean, they're really doing an excellent job for the citizens of the State.

To me, this is a department that really serves people who need assistance. One of the things that we have done with the WIBs -- and one of the big complaints was the lack of an unemployment counselor, the in-take people, at a One-Stop Center. We now have, in every One-Stop Center, an unemployment person. It made no sense to me, because 60 percent of the people who come into a One-Stop Center are coming in because they're unemployed. So there should be someone right at that front desk who knows the unemployment system, that can do the in-take, and then refer them to someplace else, either for training or other kinds of development that they might need.

So, as I say, Senator, there are some that are functioning very well. We are looking at the best, and we hope to use those, as your example, as what they're doing right and taking it someplace where they're not doing it and showing them how to do it.

SENATOR LITTELL: Well, it maybe something as simple as, how do you say hello, and how you win the confidence of the person who is looking for help, who doesn't really want to, really, tell anybody his problems and his

headaches. But, I think, if we could study that and develop a stronger program, that would be helpful.

COMMISSIONER KROLL: I think it would be, Senator.

SENATOR LITTELL: I also want to suggest to you that we have a wonderful asset in New Jersey Public Television. NJN should be carrying programs about this Work First New Jersey Program and how people can apply for it and how they can get involved in the program. And you're right, small companies don't have the resources or the wherewithal to deal with the applications and training and the follow-through -- so that you could reach out to them through the NJN Public Television. You could tell companies that are looking for help how they go about getting them, and you could tell people who are looking for some job or training that that could be utilized. But, I think, if you put something on for two or three minutes just before the news, or just after the news, which a lot of people watch, you could benefit the program substantially.

COMMISSIONER KROLL: Actually, Senator, we do work with NJN with a grant program with respect to adult literacy, etc. But one of the things that we are working on, Senator, is a more aggressive marketing campaign as to what the Department of Labor has to offer. And that is one of the issues that we're addressing now. I'm not a big person on chains and T-shirts that says, "New Jersey Department of Labor," or something like that, but I'm looking at a more aggressive campaign method to get it out to the public -- what the Department of Labor does and what services we have available to them.

I think it's been a department, quite frankly, that, over the course of years, has not advertised itself as to what it does for the public, what it does for the citizens of our state.

SENATOR LITTELL: Thank you, Mr. Chairman.

SENATOR CHARLES: I have one final question. It's one of the questions that -- we submitted some questions to the Department, in preparation, and it's the third of those questions. You have three members of this Committee who sit on the Budget and Appropriations Committee, and every year during our harrowing April, May, and June experiences, we go over the budgets. We notice that appropriations from -- made in a previous budgets haven't been fully spent, that there remain unexpended balances in those accounts.

Over the years, we've seen in the Department of Labor, there's an account for customized training. Moneys that have been allocated to that program, to those programs, dollar amounts, haven't been fully expended. I think the information I have is maybe over, maybe 60 percent, only, of the moneys that have been allocated have actually been spent on customized training. Why is that? What was the reason for that? Are we putting too much money there? Should the money -- can the money be spent elsewhere? Just what's the reason for that?

COMMISSIONER KROLL: Well, on the customized training program, and I think it's the most-- Realize one thing, the-- My response to Senator Littell is that the Department itself has not done a good enough job advertising to the public what it does and what it has available. The customized training grants, to me, are critical. First of all, it's your only

training grant that we have in the State of New Jersey to attract and to retain companies. The nice thing I liked about the customized training program is that this is not where the State is telling an employer, "Use this kind of training program to train the people. Train your people here or this way." This is a program where the employer comes, says, "This is how I want to train the people, within the overall scheme of things, and its basic guidelines." They then go out and will contract with the community college, etc., to provide the training to their employees. So it really is customized.

In the past, has the program not been developed to the extent it should have been? I agree. I will say that right now. It is my intention to spend every dollar possible on customized training grants, because it is, again, the only program we have in the State of New Jersey. And why it has not been done in the past, I don't know. I think part of the problem is that it's just not well-advertised. As I said, we do intend to advertise it.

SENATOR CHARLES: Thank you, Commissioner.

Any other questions? (no response)

Thank you, Commissioner.

COMMISSIONER KROLL: Thank you.

SENATOR CHARLES: I will next hear from William Librera, Commissioner of the Department of Education.

Good morning, Commissioner. How are you?

WILLIAM L. LIBRERA: I'm fine. Good morning. How is everyone today?

SENATOR CHARLES: I understand you have some important meetings to attend when you leave here.

COMMISSIONER LIBRERA: Yes, I do. It's happening as we speak.

SENATOR CHARLES: Yes, okay. We'll try not to hold you unnecessarily.

SENATOR SWEENEY: A-plus. Feels like an A.

SENATOR CHARLES: Excuse me. You mean it's the weight of it.

SENATOR SWEENEY: Absolutely. An A-plus.

SENATOR CHARLES: And substantively, it's an A-plus also, right?

SENATOR SWEENEY: Absolutely.

SENATOR CHARLES: All right.

Good morning.

COMMISSIONER LIBRERA: Good morning, Senator Charles, and good morning members of the Committee. Thank you for the opportunity to testify. What we have just distributed to you is a document that contains a lot of information about expenditures and the scope of our programs, specifically, as they relate to workforce through funding and through Federal programs.

What I thought I would do is summarize what I think the broad issues are, as far as the Department of Education is concerned, and the workforce issues that have been identified -- first by my colleague, Commissioner Kroll today -- and I'm sure will also be mentioned by the other commissioners. Those same items have been well-identified in the white paper.

So what I would like to do is to cover those broad issues, briefly, and to give you some examples of steps that have been taken, which I think will give you an idea of the indication -- or will indicate the direction that we need to take and why we need to take it, and then I'll respond to questions.

First, we think that, in the area of public education, that what we do is work on workforce development at large. That is, we provide those experiences and skills for the entire population, and this is a matter that takes form in lots of different directions, but workforce, in the broadest sense of the word, is human development in the State of New Jersey. So we have, maybe, the greatest responsibility, because we have the greatest opportunity, in terms of the public education part of it.

Second, we have a fragmented system. That's not news. That's been identified in many ways for you in the reports. The fragmentation that we see is a fragmentation within the Department, and we see it's a fragmentation across departments. So I'd like to talk about the areas in both of those components. The final thing is that, I think, we've made some progress since January, in terms of examples of things that show you the direction that we think we need to take and give you an idea of what is the future developments that we hope to do, not only in the Department, but across departments.

First, the issue of literacy is so critical to workforce development, in every respect. We all know the Governor's significant commitment in terms of literacy, that we are committed to seeing that all children can read by the end of the third grade, at least at grade level, and we've taken very aggressive steps. The money provided for us in this budget by the Governor's

recommendations and by his support, along with the Federal funds that we've received, give us the resources to address this significant problem. But it is not enough just to work with first graders and second graders and third graders to help them read. That, clearly, is so important in terms of our future.

We understand very well that children who cannot read or have difficulty reading, in all likelihood, come from families who do not read. So we are working with the Department of Labor on family literacy issues, so that we are combining our resources and our efforts with their efforts. So that, instead of us operating in isolation of one another, that which we are doing in one school, with a high-identification of children who can't read, we want to do that alongside an effort towards helping adults read and helping families read. It's that kind of cooperation, across departments, that, when we do that together, the impact will be so much greater. We've already begun plans in those areas.

We have expanded career academies in the State of New Jersey to include programs that are brought into high schools. This is in addition to career academies that already have existed out of vo-technical schools and have been very successful, some of which have been full-day, on-site programs. Science and math academies in certain vo-technical schools -- and those have been very successful. They have been successful in a lot of our counties, not uniformly, but they've been successful. What we've done is expanded that emphasis, so that we are bringing programs jointly developed by private sector people -- partners like Pfizer, like PSE&G, like Commerce Bank, and like Verizon -- into high schools, so that programs are offered for part of the day, so that young people can be available of careers and opportunities.

We're pleased that we were able to start four such programs in September. They're very, very interesting. They will supplement and enhance the career academy work that we've done. I'm pleased to say that we have many more schools, right now, interested in doing this than we have private sector partners, so we are searching for them. We are especially pleased that Pfizer and Commerce Bank and PSE&G and Verizon have agreed to be the first cohort for us. So we think that that's very important.

We're working with two- and four-year schools on another version of workforce development, and that is: How we may retain more of our high school students, in the State of New Jersey, pursuing post-secondary work in New Jersey institutions. We've been given a statistic that, of the young people who leave the state to go to out-of-state institutions, someplace around 50 percent of those young people never return. Now, that statistic doesn't have the precision that any of us would really like, but what it does show is an exodus that's a concern to a lot of us. So what we're doing is bringing two- and four-year schools in greater connection with our high schools.

Next year, we're going to have a pilot program in at least one school per county, and we can accommodate more, where we're bringing college-level courses on a more systematic level to our high school students, so that they can take those courses in high school, if they have satisfied all of the requirements for high school graduation.

We are working on other kinds of cooperative ventures to see if we can't build greater links between our high school graduates and our two- and four-year providers in the state. I'm pleased to say that the two-year schools are, to a county, completely supportive of this. I announced this at the

summit, they want to do this, and we already have many school districts that have indicated that they want to be a part of the pilot. Those are some primary illustrations of the things that we see that we are doing.

Finally, there has been a fragmentation between regular education schools and vocational-technical schools in the State of New Jersey that's artificial, that's counterproductive, and needs to change. Treating vo-technical schools as if they're some kind of parallel system is the wrong way to think about this. Vocational-technical schools, in our estimation, are responsible for some of the most significant innovations in education in this State in the last 10 years. And so, as recently as yesterday, we were talking about ways in which we can work more closely together, build on the success that we've had, learn from the things that they are doing, use them as models, as our examples of public school choice in the state, and use all of those partnerships in such a way that we can build more work, successfully, and create more options for the young people that we serve.

A couple of examples of things that we are doing across departments -- and I'm very encouraged by how receptive my colleagues have been, in terms of what we need to do and why we need to do it. You'll hear from everyone of them today. I talked about what we did with the Department of Labor on family literacy. That's, clearly, a huge step in the right direction. We also know that we have to clarify responsibilities and funding streams, and how we work with adult ed and how we work with adult literacy. That's a project that the Federal government tangles for us by funding sources, but we can untangle them. But that will take us a little time, we know that's probably our second objective, beyond family literacy.

We're working with the Department of Human Services, primarily around the area of early childhood and community providers, so that we can see that the opportunity provided by *Abbott* is taken by families, so that they do bring their three- and four-year-olds to schools, and at the same time, we find ways to support families and support skill development with families so that they can participate with us.

The Federal legislation about preparing para-professionals, also, fits into this. We are required to provide supportive programs so those people who've worked in positions that are classified as para-professionals get opportunities to get the support and training, so that they can get the degrees and credentials and experience to participate with us, alongside us, and be a part of those community-based programs. We're pleased to say our two-year providers are very supportive of that, as well.

Finally, I have begun conversations with Corrections, and you'll hear from the Commissioner today, about the work that he's doing with literacy, the work he's doing with education, and how this fits into things that we are doing and things we might be able to support, as he is working on that. Because there is, clearly, no reason to continue the fragmented, isolated patterns that we've had. Some of that is the result of funding sources. A lot of it is the result of inertia. A lot of it is a recognition, on our part that, that which we do alone, we can't, will never be equal to what we can do together. I think we can make inroads, but I think Commissioner Kroll is right when he talks about it as a continuum, and he talks about the time that will take us to streamline this.

I think by the 31st of December we will have some examples for you as to: here are the things that we can do, here are the things that we're going to do, here's the next step that we're going to address, and here are the time lines and what we hope to achieve. So that's, in brief, the broad issues that the Department has with respect -- on initiatives, rather, and how we see these issues, what we're doing, what we've done, and the prospects for the future.

So I'll welcome your questions.

SENATOR CHARLES: Just -- was it last week, two weeks ago, we had representatives from the Adult Literacy Programs around the State of New Jersey. I think they were mainly connected with the library systems. They, of course, spoke to the legislators about how much more funding they needed. I'm not sure where their funding comes from. I think they're the programs which are funded by the State Library and from that source. Everybody here has talked about adult literacy, family literacy, and how that impacts on learning and literacy among the younger people. What role does the Department of Education play in adult literacy right now? Is it an adequate role? Does the Legislature need to consider redefining the responsibilities of the Department of Education with respect to adult education? Is that implicated in anything--

COMMISSIONER LIBRERA: I don't think--

SENATOR CHARLES: --or do other departments -- are they well-suited for dealing with that?

COMMISSIONER LIBRERA: I think there is a step before the Legislature considers how it is that we ought to direct this effort, and that is for

us and Labor to talk about the money that we have and the programs that we have. We've begun that in terms of talking about family literacy. Whether we're using that money the way we should -- and that answer, of course, is already no. The question is: How quickly do you change that? I think that that's a conversation for us.

Let me just point to one of the entangling issues. A lot of the adult programs in the State of New Jersey are connected to vo-technical schools, and so we want to make sure that we approach the adult literacy side of that in an intelligent way, in terms of what we might do, what we shouldn't continue to do, and how we can leverage the dollars and the programs better. I think the library part of this fits into this as well, so that we put, clearly: Here is what we do, here are the dollars, here's where this goes. What are the possibilities of shifting some of that responsibility and what do we get when we do that? What do we lose when we do that? Are we endangering any funds by changing the stream here?

Anything, as you know, that has been in existence for 25 to 30 years and has been supported by Federal funds and regulations has to be delicately disassembled, and that's the conversation and the discussion I think that the Governor had in mind by creating that Commission.

SENATOR CHARLES: Has any evaluation been done as to just what portion of these dollars, that the Department of Education spends on public education, gets allocated to these adult literacy programs? For example, I see 14 billion, whatever, in reference to funding through the Department of Education, for public education in the State of New Jersey. What number of

dollars of that could you identify with adult education, as it may be related to vocational schools or otherwise?

COMMISSIONER LIBRERA: Okay. I'd like Michael Klavon, who is the Director of Innovative Programs and presently working with our vocational-technical staff, to answer that question.

MICHAEL KLAVON: Thank you.

We have \$14 million, approximately, in Federal funds for adult education and family literacy, and then another \$2.2 million in State matching funds that we utilize to support those programs. And, as the Commissioner said, most of that support is in the county vocational school system, where they provide the type of programs that would address those needs.

SENATOR CHARLES: So that's 16 million?

MR. KLAVON: Sixteen-plus.

SENATOR CHARLES: Sixteen-plus million, two of which comes from the State?

MR. KLAVON: Correct.

SENATOR CHARLES: And 14 comes from the Federal -- whatever their guidelines and requirements are. So, let's say there's 2 million out of 14 million from the State, then-- Oh, let's say funding for public education is 10 billion, whatever, a year. Is there a--

SENATOR LANCE: It's more than that.

SENATOR CHARLES: It's more -- well, let's just use that number.

SENATOR LANCE: I'd love if it were only that. (laughter)

SENATOR CHARLES: Well, let's use that number Co-Chairman Lance, all right. Some number of billions then, suppose we put it that way? Some number of billions is used to fund public education. Only 1 or 2 million, then, of that goes toward adult literacy programs. Am I correct in that?

COMMISSIONER LIBRERA: From the State side.

MR. KLAVON: Yes, from the State side.

SENATOR CHARLES: From the State side.

MR. KLAVON: If I may, briefly -- and Senator Lance is absolutely correct -- when I saw the \$14 million number, I questioned it, and so we're researching where that number came from. That was one of the questions, so that number didn't come from us. But, as you correctly pointed out, these dollars leverage other dollars. As Commissioner Kroll and Commissioner Librera indicated, what we need to do is to identify how the dollars are used, why they're used in the manner in which they're used.

If I may use two analogies, sometimes you need a melting pot to create an item that's stronger and different than, perhaps, what existed before. And then the other analogy would be, you go to a food court, and you have many different vendors at that food court. So I think what we have to do is establish which areas we're going to be melting together and which areas we're going to try to assemble in such a way as to maximize resources, both fiscal and personal, in order to provide the appropriate services.

SENATOR CHARLES: I asked that question because much of what I'm hearing seems to involve adult literacy. I know we're responsible for children, and we have to make sure that funding is adequate and sufficient on that end, but much of what we're hearing about -- the problems in the

workforce -- involves adult literacy. Somebody said 48 percent are not literate of our workforce, are not up to standards. I think the Commissioner of Labor said that. So literacy among adults is important, if we talking about workforce development.

You mentioned 2 million, let's say, you've identified. If you put a number -- I'm not holding to that number precisely. Since the meeting last week or so, with the adult literacy people from the library, I've had some people do some work into that, and it seems like they're funded at, maybe, 2 million from the Department of the Library, whatever. So we got this big problem involving adult literacy, and we have identified, well, 4 million anyway, that's directed at it.

I know the Commissioner of Labor has talked about some of his programs, and I'm sure that a piece of that -- a good portion of those dollars-- There's some dollars associated with adult literacy there, but it just seems like if that is the problem, we're clearly identifying that there's some more funding that's needed, although that funding needs to be well-directed and properly done. We're talking about adult literacy, but we're not addressing adult literacy, it seems to me, up to this point. I mean, you can react to that or just let it pass as a comment, coming from the Chair.

COMMISSIONER LIBRERA: Well, that's the State's side of the budget. We have the Federal side of the budget, and we have--

SENATOR CHARLES: Which gives us another 14.

COMMISSIONER LIBRERA: So it's 14 and 4, if there are no other sources. And I'm not sure of that. I know about ours.

SENATOR CHARLES: I understand that. I understand that.

COMMISSIONER LIBRERA: We have this problem in terms of the overall money attributed to us that's larger than we think we have.

SENATOR CHARLES: So I'm just suggesting, I guess, to everybody who is here this morning, that maybe that's one of the things that we, as a committee, might want to have ferreted out for us -- just how much money is being directed at this adult literacy problem that's so part of, so much of a reason for our workforce problem.

COMMISSIONER LIBRERA: Sure. And the other thing I think we need to talk about is that number of 40 percent, which is a national number, as well as a New Jersey number.

SENATOR CHARLES: Literacy, you mean?

COMMISSIONER LIBRERA: The literacy issue. And I think, as I understand it, it is not sufficient literacy skills to participate in this economy. I think that's the way it is usually said. And naturally, we'd have gradations in that, about what that means.

Everyone associated with this would, obviously, welcome additional resources to address problems. On the other hand, what we think is the first -- and we know you agree with this -- critical step is to make sure that the money that you have is used in such a way where we're getting the greatest impact. That's where our acknowledgment of the fragmentation part of it is important. We are working on that, and at the same time telling you that there are, in many instances, some forces -- Federal funding in particular -- that have gotten in the way over the years. We need a little time to divert that, analyze that carefully, so, in solving one problem, we don't create two others.

SENATOR CHARLES: Co-Chairman Lance.

SENATOR LANCE: Thank you, Senator Charles.

Good morning, Commissioner.

I have found your testimony excellent, and I also found Commissioner Kroll's testimony excellent. It seems to me we have a wonderful opportunity, based upon the Federal Workforce Investment Act, passed by the Clinton administration in 1998, to do something radical in New Jersey. And since imitation is the sincerest form of flattery, if this has worked to some extent in Michigan and North Carolina, perhaps we could use them as models.

I would imagine you have some control over the vocational high schools. It's my impression, based upon sitting on the Appropriations Committees in both Houses, now, and for a combined total of 12 years, that the vocational high schools and the county colleges is rather like Macy's talking to Gimbel's. Is that a problem in your mind? I know you're new. It's a new administration. You inherit problems, but have you begun to address that situation?

COMMISSIONER LIBRERA: It is a problem. It has been a problem. But what we find is-- First, with the two-year colleges, a great interest in trying to work on different ways and different kinds of partnerships. We see the vocational programs, which are becoming more and more successful, also, interested in not operating as a separate and parallel system, but working with us. So we think that there are steps that are being taken in that direction.

Now, it is easier, of course, to talk about partnerships than to do partnerships. So we're at the commitment-to-partnership stage that we think is going to produce some results fairly quickly.

SENATOR LANCE: And do you have a time frame for that? Is that part of the Governor's mandate of December 31, for other aspects of the labor market, or not?

COMMISSIONER LIBRERA: Our December 31 time table, from my perspective, I think will, in all likelihood, provide some suggestions for redirection of adult education issues. I think that's big. I think that's the first thing that we will do. Behind that will be some of the other cooperative ventures between two and four and vocational schools.

SENATOR LANCE: Thank you, Commissioner, and good luck to you in that regard.

COMMISSIONER LIBRERA: Thank you, Senator Lance.

SENATOR CHARLES: Senator Littell.

SENATOR LITTELL: Thank you, Chairman.

Commissioner, you have the responsibility for thousands and thousands of our young children in the State of New Jersey. You're responsible to make sure that they're safe and protected from harm. You're responsible that they get an education. You're responsible for their shots being injected before they go to school, and you're responsible for guiding them through to college, and hopefully, a job in the future. It's an awesome responsibility. I think you're off to a good start.

I'd just like to jump in on the library bit. That's one of my favorite subjects. I sponsored the bill in the Senate when we put up some money to improve the library system. We have one of the finest computer programs in the country, probably in the world. There are five different locations around the state where the transmission goes, and then the

transmission goes right to the Internet, and without cost. I think every public library in the State of New Jersey is tied into that system. I'm pleased to tell you that the public libraries in New Jersey are the number one venue -- not Atlantic City -- but public libraries. (laughter) I think that says a lot for our system and our society.

COMMISSIONER LIBRERA: I agree with you, Senator, and it gives us great potential, given that capability, to support a lot of these initiatives. Now, one of the things that is very clear to us is that children whose parents do not read have a lot to do with why they have trouble in reading. The people who don't read, the 40 percent, probably rarely, if ever, go to libraries. So we have to use those resources in ways and meet people on their terms, in terms of bringing them into these rich resources that we have. But, in order to do that, we've got to connect our work better than we've been.

SENATOR LITTELL: Are your public schools getting on line now?

COMMISSIONER LIBRERA: Many of them are. We have a real divide, however, in terms of most have made significant progress. There are a small percentage of schools that are significantly behind others, and we're trying to do something about that population in the most recent Verizon settlement, which will enable us to support those communities and those schools that don't have much technology support.

SENATOR LITTELL: And are you using NJN to get your message across?

COMMISSIONER LIBRERA: As much as we can. They've been very willing and helpful to us, and we will continue to work with them.

SENATOR LITTELL: Well, I would, respectfully, suggest that you consider a short program, like I suggested to the Department of Labor, on a daily basis, trying to get two or three minutes, and jump around the state to show what the schools are like and how well the students are doing in one area versus another area. The public needs to know.

COMMISSIONER LIBRERA: We have done some of that. We will do more of that. We want to, also, use the power of NJN to the degree that it will help us to promote the adult literacy side of this, because it's a big issue for us.

SENATOR LITTELL: It's a great asset.

COMMISSIONER LIBRERA: Yes, it is.

SENATOR LITTELL: And the last thing, and it isn't on this program per se, but it has a lot to do with people's ability to work in the workforce and communicate with their fellow workers and their employers -- and that's the English language. I hear complaints from many people about the fact that some students are being taught their native language and English. It seems to be a sore point with a lot of people. I can explain it, maybe, better this way. I grew up in a mining town. We had every nationality that existed coming into that community and working in the mines. One thing that they all had in common was that they wanted to learn the English language, so they didn't have to rely on their native language. They made sure that the children got a good education in the English language, so that when they go out into the field of higher education, or into the job market, that they're able to function and communicate what needs to be communicated.

Would you address that problem?

COMMISSIONER LIBRERA: There's no question that that has to be the outcome. There's a fairly significant debate about how one gets there in terms of other-languaged children. But there is no disagreement about the need to have children be able to read and to use the English language if they're ever going to have an opportunity to participate successfully. I think more and more, we're finding evidence to support that children should be in classes with other children and should be, as much as possible, supported in the way that they learn the English language as early as possible, as consistently as possible.

SENATOR LITTELL: Well, then, maybe the problem isn't with the young children growing up, but rather with the first-generation immigrants who are trying to get into the job market and have trouble communicating.

COMMISSIONER LIBRERA: Well, for those young people that do go to schools, and we have a lot of schools in the urban centers of this state where we have children of immigrants who have arrived here and only been in this country for a short period of time -- that problem of educating those young children in our high school is more difficult, in terms of language, than it is a five-year-old or a seven-year-old. But the meaning doesn't change, you still have to do that if they're going to be successful.

I'm pleased to say that, in a lot of our urban centers, they're making significant progress in that. Union City, as an example, has made enormous progress in that. When they are not in schools -- and we've seen young people who are dropouts, who have language difficulties -- that's the major portion of a problem, in terms of our workforce. That's where the adult high schools are beginning to make some significant progress. We saw one yesterday in Union County.

So I think that the point of all of that is that the outcome has to be the same in terms of equipping people with the skills to read and to use the language. How we do that is different with five-year-olds and seven-year-olds and twelve-year-olds, as well as with adults, but the outcome must be the same. We just have to find the ways that work. We have more and more examples of that, I'm pleased to say, and we want to enlarge them -- share the wealth, show others how this is working. That's another part of our work.

SENATOR LITTELL: Thank you.

And thank you, Chairman Charles.

SENATOR CHARLES: Thank you, Senators.

Thank you, Commissioner.

We're looking forward to December 31. I say that to all of the departments represented here. We hope that this Committee has something to work on, in terms of legislation that will address this very, up to now, intractable problem, here in the State of New Jersey.

Thank you.

COMMISSIONER LIBRERA: Thank for this opportunity. I might speak just briefly on behalf of my colleague, Commissioner Kroll, who, I suppose, has invited us, with December 31, to a workforce New Year's Eve party. (laughter) I'm not sure that's what he intended, but that would be an interesting way to toast the New Year, I suppose.

SENATOR CHARLES: No, we'll defer that to sometime in January. We have our plans this December 31.

COMMISSIONER LIBRERA: He's a very resourceful gentleman, so I'd be interested to know a little bit more about his plans for that day.

Thank you very much.

SENATOR CHARLES: All right. Thank you, Commissioner.

The Department of Human Services Commissioner, Gwendolyn Harris.

Good morning, Commissioner. How are you?

COMMISSIONER GWENDOLYN L. HARRIS: Good morning.

Am I on? I'm on, right? (referring to PA microphone)

SENATOR CHARLES: Yes. You're on, I think. (referring to PA microphone)

COMMISSIONER HARRIS: Okay.

SENATOR CHARLES: Okay.

COMMISSIONER HARRIS: Good morning. I'm very pleased to be here today. I have with me Dave Heins, who is the Director of the Division of Family Development. I want to thank you for the opportunity, as much of the discussion, heretofore, has been around people in the workforce and the workforce. I represent -- serve in a Department that is focused on a number of people who need or want to be in the workforce. So the perspective is a little bit different. I'd like to present to you some to those concerns and challenges that we are working on.

First, I appreciate your interest in how the State is funding services to help people get jobs. As the Human Services Commissioner, I'm pleased to speak to you about these funds and the services' impact on the people I serve, specifically 44,000 people receiving welfare benefits, 30,000 people receiving

food stamp benefits, and 200,000 people with disabilities, all of whom should be moving towards employment.

I received a set of questions from your staff related to the employment needs of the welfare population. In fact, a large number of people receiving employment-related services are also recipients of welfare. However, I would remind you that there are hundreds of thousands of people with disabilities living in New Jersey, many of whom would like to work, given the opportunity. But many are underserved or unserved by the workforce readiness system and remain unemployed. It is essential that we are mindful of their unique needs as we continue our dialogue.

In the written questions, I'm asked about the job training and its disproportionate application to higher, more educated wage earners. For me, particularly from the welfare perspective, this raises a fundamental philosophical issue. Work First New Jersey, the welfare reform program that focuses on getting someone into a job as quickly as possible, was developed within the national welfare law. That law limited welfare to five years and allowed people to participate in education or training in very limited circumstances. That welfare reform model is now five years old. It has met with some significant success in what it set out to do. The caseload for families on welfare dropped from 99,000 in April of 1997 to 42,000 in 2002. Earnings of people who have left welfare for work have increased, according to our research.

These are all good things. However, with these successes, there is still a fundamental question that remains unanswered: Is this welfare reform

model effective? Are we providing the foundation necessary for self-sufficiency?

We have moved people from welfare to work, but in some cases in marginal jobs that cannot support them or their families. Even with the transitional benefits we provide -- child care, Medicaid, transportation, and housing -- I wonder what quality of life is just around the bend for marginally employed families leaving welfare for work. I am concerned that we are moving people off welfare without a career path that will support them.

As a workforce readiness system, how can we be sure we are not abandoning individuals and families to a life where they are simply moving from welfare to a marginal job and then to another marginal job? I believe that the workforce development system must take responsibility for helping marginally employed workers put their first job experience into the context of a career path, using job training to travel that path. I understand that this may mean that people stay on welfare a little bit longer, but the end result will be greater in job security and true self-sufficiency. On the other hand, I must balance these issues with the fact that the Federal law limits welfare to five years. In addition, the Federal government will not pay for long-term education or training, and in the future, is likely to pay for even less.

And so it is with this backdrop, this quandary, that I offer you my testimony. Let's begin by talking about funding. The Division of Family Development, within the Department of Human Services, has primarily two streams for employment-related funds. First, we purchase \$34 million in employment-related services from the Department of Labor for families receiving welfare, single people, and childless couples on General Assistance, and food stamp recipients. These funds are made up of 13 million in

Workforce Development Partnership funds, 15 million in Federal welfare funds, and 6 million in Federal food stamp funds. Then, another approximately \$42 million goes to county governments for job preparation for families receiving welfare. These funds are a combination of the same funding sources that I just mentioned.

With regard to how my Department spends its share of the Workforce Development Partnership Fund in the past years, about a third of the money went back to the Department of Labor through contract. During Fiscal Year 2002, 100 percent of that money went to the Department of Labor.

Due to the blended funding stream that makes up the Department of Human Services work budget, and unfortunately, because data is kept manually, it is difficult to tell you exactly how many individuals received employment-related services funded with Workforce Development funds. However, we estimate that the number of individuals who received training and work-related services supported by Workforce Development funds fell from approximately 21,000 in Fiscal Year 1998 to 6200 in Fiscal Year 2002. We estimate that in Fiscal Year 1998, the average cost per client for work-related services was approximately \$1500, compared to an estimated \$2100 in 2002.

Our combined funding is utilized to make available a package of services tailored to meet the often intensive and varied needs of welfare recipients, a consumer very different from someone who simply needs job placement services.

The needs of a mom on welfare, for example, frequently go beyond the traditional service mix available at the Department of Labor One-Stop

Career Center. Our service package may include mental health services, substance abuse services, and case management, if we are to help the consumers actually get a job.

When Work First started five years ago, there was a conscious effort to develop the relationship between Human Services and Labor. Work First marked the most aggressive effort to partner these two Departments' programs. Because of this decision, New Jersey's workforce readiness system must provide services to a broad continuum of people. In some instances, a One-Stop Career Center is providing employment services to a recently unemployed middle manager, as well as to a welfare recipient. These are two very different consumers whose service needs are very different.

Let me be specific about the people I represent so that you can get a sense of how intensive and different their employment needs are versus the middle manager downsized out of a corporate job. My consumers are single moms. They may not have any work history. They may not speak English, or if they do, they may read at a third-grade level. They don't have cars. Their only source of income is their public assistance benefit, which ends after 60 months and they may be in the 32nd month already.

Or, I have many other General Assistance consumers, who are like the 27-year-old single man with a substance abuse problem and a history in the criminal justice system. He reads at the second-grade level and hasn't had a steady job since he worked in a fast food restaurant 10 years ago.

I have yet another consumer who has cerebral palsy and is in a wheelchair. He is a bright man with a business degree and is looking for a paying job, but he needs some special accommodations from an employer.

The people I have described to you, clearly, have little in common with the typical 35-year-old Rutgers University grad who worked in management for 12 years and was downsized because of a tough economy. As you see, the variety of needs and the intensity of those needs requires the workforce readiness system to really stretch if it is to fully serve all of those individuals that I represent.

In addition to this population having many more obstacles to getting a job, the welfare and food stamp programs have a whole host of programmatic requirements attached to providing employment services to this population. And, unlike the middle manager, many people on welfare don't voluntarily go to the One-Stop looking for a job. Some people come to the One-Stop because if they don't, they know they will lose their public assistance benefits or food stamps. Accordingly, their attendance must be tracked so that they can maintain their benefits.

In addition to the tracking for this purpose, we must also track and report information to the Federal government. Federal law requires that 50 percent of the families receiving welfare benefits be engaged in work activity for 30 hours a week. Although this requirement may not sound hard to meet, the law only allows for certain types of work activity to count toward that 50 percent. It starts getting all bureaucratic here. The standard allows for only a very small percentage of people to participate in activities, such as education, training, and job skill development, all activities that would be commonplace to the typical consumer in a One-Stop Center. If we don't meet this standard, it puts \$20 million from the Federal block grant at risk. And the expectation

is that when Congress revisits the national welfare law, this requirement will become even more rigorous.

The contracts to provide employment services through county government are monitored regularly by State staff, through levels of service reports and site visits. In addition, these contracts are performance-based to encourage a focus on job retention, as well as placement, and so vendors do not receive final payment until a consumer has been in a job for a certain amount of time.

The type of monitoring information is not available for -- the Department of Labor would have to speak for those employment services that it provides for our consumers. This makes it difficult for reporting purposes and difficult to assess whether the existing workforce system has evolved enough to fully serve the needs of the people I just spoke about.

We are trying to track our welfare clients. The Committee, in your questions, was kind in noting that there are technical glitches in the welfare reporting system that only allow for tracking job retention for 90 days. In fact, such a glitch would be an improvement over the actual system, which does not track job retention for any length of time.

The Department is currently in the process of releasing a RFP to replace our 25-year-old information system, which, hopefully, will interface with other State systems, and thereby allow us to track our consumers through an interface with Labor's information system.

In the meantime, over the last two years, the Department has required performance-based contracting for our to-work vendors paid through the Work First New Jersey contracts with the counties. These vendors are paid

based upon established benchmarks for enrollment, program completion, job placement, and retention, usually up to 90 days.

Because our consumers tend to cycle in and out of employment, it is a challenge to track employees for longer periods. The vendors depend upon performance-based payments to support the on-going work of their agencies, which for many are small, not-for-profit agencies. In light of this, I would suggest that any effort to increase the length of time employed persons are tracked by these agencies is provided or complemented with some additional dollars to support the effort. Otherwise, I'm very concerned that these agencies may suffer cash-flow problems, at least until we have the automated capacity.

It certainly is important for us to know about the outcome of our consumers. What the Department has been involved in, for the past five years, is a longitudinal study of our welfare consumers that began in 1997, under contract with Mathematica Policy Research Institute. The study has been following a randomly selected sample of 2000 current and former welfare recipients to determine the impact of the Work First program on their income, family life in general, and the well-being of the children in their homes. So the focus hasn't been, specifically, on the workforce part of it, but, probably, the larger picture. At any rate, consumers are asked a series of questions. Three studies have been released to date with outcomes for the initial 2000.

Generally, in following the consumers, the study has found: Fewer consumers remain on welfare for the long term, with only 24 percent of the 2000 consumers remaining on welfare after three years of tracking. The fraction of consumers employed and off welfare increased from 34 percent at

the time of the first survey in 1999 to 48 percent two years later. Hourly wages increased from an average of \$7.80 per hour to \$8.70 per hour during a two-year period, and more consumers have jobs offering fringe benefits.

Another way we track, although again indirectly, is through our transitional services, which help working families offset the impact of low wages in that initial job. Specifically, we provide two years of child care and Medicaid coverage. We provide transportation assistance, a housing subsidy, and, in some cases, even a wage subsidy, called the Supplemental Work Support program. We are also working hard to ensure that when families leave welfare for work they continue to receive food stamps.

To address retention and advancement issues facing our families, we implemented a Career Advancement Voucher, which provides eligible workers with up to \$4000 per year, for two years, to obtain training aimed at moving up the career ladder.

All of the transitional supports I've just mentioned require the recipient to submit annual redeterminations in order to ensure that the head of household is still working, and therefore, retains eligibility for these transitional services. Today, we estimate that 10,000 families receive transitional services.

We have been in discussion with the Department of Labor to look at ways to streamline the workforce readiness system and to improve and tailor services to low-income households. In some places, strong, cooperative efforts have been forged. For example -- and I believe Commissioner Kroll mentioned -- in Monmouth County, the welfare agency has developed a very successful partnership to use our Career Advancement Vouchers. They're using a

distance-learning program developed by the One-Stop Center to help former welfare recipients further their education.

Through this project, people who have recently left welfare can take classes at home using a computer provided by the program. It's perfect for a single mom who is busy working and can't leave her children in child care in the evening, but at the same time wants to improve her skills. This is an example of the type of cooperative effort we need more of.

I want to touch briefly on transportation issues, as that was another one of your questions. Be assured that our consumers are provided transportation assistance to obtain job training services while on cash assistance. Work First New Jersey also provides seven months of free or reduced-fare transportation assistance after a person leaves welfare for work. However, there are many workers who just cannot utilize public transportation, because it simply is not available. For them, the Department developed the Transportation Block Grant program for counties. In this program, funds are made available to counties to develop innovative transportation programs that meet the needs of their county.

Gloucester County, for example, developed the Keys to the Future program to help welfare and former welfare consumers purchase an automobile. Many counties have developed feeder services to move workers from their homes to public transit routes. Others assist in paying the high cost of automobile insurance or car repair.

We are providing child care so people can participate in workforce development partnership-funded programs. We provide child care while

welfare consumers are in work activities, and for at least two years after a family leaves welfare to work.

The Department has also partnered with the Department of Education to ensure preschoolers enrolled in *Abbott*-sponsored programs have access to a full-day, full-year program to support working families. This makes sense because in *Abbott* programs, we are dealing with populations that overlap with the welfare system.

Some local school districts recognize the relationship between the need for child care and the opportunity for the parent to work. However, we are dependent upon local school districts to implement the full-day, full-year concept. Currently, the Department of Human Services has committed significant dollars to provide wrap-around child care services -- for the balance of the school day, holidays, and summer vacation -- to supplement the regular school dollars for the regular school day. Therefore, the *Abbott* preschool program must be implemented in a manner that is supportive of single parents new to the workforce. Unfortunately, this is not a primary concern or objective in some school districts.

And finally, the Department administers the New Jersey Cares for Kids program. This program provides child care subsidy for working families with incomes below 250 percent of the Federal poverty level. Funding for this program has increased from 147 million in State Fiscal Year '97 to 268 million in the current fiscal year. The majority of this increase has been from welfare dollars that were reinvested to support the needs of over 7800 children in working families that were on a waiting list for child care subsidies in 1998.

Unfortunately, while we were able to address the needs of these 7800 children, there are more families that are in need of this service. As of today, a waiting list for child care subsidies for another 7000 children exists. Child care is another area that requires greater sensitivity and cooperation on the part of all agencies involved.

It is important for all of us to understand all of the implications and corresponding needs that result when someone starts looking for a job, and ultimately, lands one. While speaking about ways that we could broaden the workforce system, I wanted to mention a grant I just learned about. The State Developmental Disabilities Council just put out a request for proposal for a \$75,000 grant to create a model for a comprehensive One-Stop Career Center that fully integrates programs for people with disabilities.

This effort is well-timed in that New Jersey will enter the Federal Ticket to Work program later this year. Under this program, people with disabilities will be given a choice of where they will receive vocational rehabilitation services. Hopefully, the Ticket to Work networks will provide the Department of Labor with a model for employment and vocational rehabilitation services for people with disabilities.

I mentioned the Developmental Disabilities Council grant, the Monmouth County initiative, and the Ticket to Work program to illustrate that if we want to serve poor people and people with disabilities by our current system, we must broaden and tailor the range of services.

Our economy is the weakest it has been in a number of years, and it will surely put our workforce readiness system to the test. The opportunity to work is fundamental to our country's core values.

Having outlined the challenges presented by the various consumers I represent, I look forward to working with my fellow cabinet officers in developing the next steps of this process to move our systems to meet the needs of our consumers.

Senators, I'd welcome any questions.

SENATOR CHARLES: Thank you, Commissioner, for that testimony.

Your clientele, the consumers that you serve, are, generically, in a different category, perhaps, than the other members, or sectors, of the workforce.

COMMISSIONER HARRIS: Exactly.

SENATOR CHARLES: You, to some extent or to a large extent, are controlled by Federal legislation as it pertains to workforce development, welfare program, etc. Is that going to have -- what kind of impact is that going to have on the discussion that we're having now, with the plans we're trying to develop, about preparing our workforce? Are we going to have a separate theme for the clientele that you represent versus the rest of the workforce that we're trying to deal with? The programs that get worked out, the fragmentation issues, the dispersal issues, are they the same for that clientele as they are for the rest of the workforce?

COMMISSIONER HARRIS: They are different challenges, but the objective is the same. It is my hope that we are able to put together a system that serves all of them equally well. I think-- The point I was trying to make is that, for Work First New Jersey, as it was conceived, a lot of emphasis was "Get a job." And then we let-- I think one of the questions that was raised

is, how do we move beyond that, particularly, since what we're seeing is a very marginally employed person, who is very close to being unemployed.

What we need is for the emphasis to look at that first job as a step in a process. The workforce development system is based upon, and holds to the tenets of, really looking and working with an individual to carry them through a process; although, I think that there is probably more experience in taking someone who has, maybe, some more supports in their background than the person that we are bringing there. I think the challenge is -- but Commissioner Kroll and I and our staffs have been working together to really work at -- how do we get them to him and to his system, if you will, at a point where they can, then, carry them the rest of the way.

I don't know that we're served, in terms of having a multiplicity of systems, but it is very important that the needs of the various populations is handled effectively.

SENATOR CHARLES: For example, one of the things we've heard this morning, early afternoon now, I guess, is adult literacy, the need for that. How much of that is funded or part of the programs for your clientele?

COMMISSIONER HARRIS: That's a hard one to answer. I might let Dave take a stab at it, because our services are -- our dollars are blended for a service package for a family. That family may be receiving services from column A and column B, or they may be receiving from nine different categories.

SENATOR CHARLES: Let me put it a different way then, without the numbers aspect to it. We talked about literacy, the adult literacy

-- a problem for the kids and for the adults themselves. Is there an adult literacy component to the workforce program?

COMMISSIONER HARRIS: The Work First New Jersey, specifically.

DAVID HEINS: The county contracts, actually, provide funds to buy remediation and literacy for our population, absolutely. That's one of the issues that they present when they go to the workforce readiness system, that they don't have competency to go to that first job, or whatever. So the county is, in fact, through the local networks -- purchase literacy services. We are also meeting with Labor and Education in looking at a combination of adult and youth literacy for the family literacy-type strategy. I think our meeting is next week, actually, to gather the dollar resources we have and how many folks that we're all targeting, but to try to blend what we have been doing. Over many places, we're using the same vendors.

SENATOR CHARLES: So, if I understand you, you're now looking at that closer, with the idea toward improving the literacy components? It seems to me that's the whole thing. If nobody is able to read or write and do the rest of that, they can't get a job beyond the service job, if that. So I'm just wondering just how much of-- Tell me what happens on the literacy end of it. I think that's what we'd like to know, especially as a part of that program.

MR. HEINS: It's historically not been a large part of the program, because the program has functioned as a Work First model, where the first activity that a welfare recipient would attend would be a job search component. What we have been talking about is whether or not we need to,

through an assessment, redirect folks, first, into a literacy component prior to the job search component. This is part of the quandary that the Commissioner is in with regard to the Federal legislation, etc. But it is a vital thing that needs to happen. We are using those services if they fail a job search, but the question is, have we done the right thing by sending them there in the first place? So we're looking at redirection in the initial assessment and referral.

SENATOR CHARLES: I see. That was a part of the initial debate around, I guess, the New Jersey implementation of the Federal Welfare Reform law. The question: Do you talk education, do you talk job first? And it came down on the side of job first and something else after that. So I guess we're entering that second phase now. Is that discussion taking place on a Federal level, so that Federal legislation may come down now and authorize and, in fact, encourage more literacy type of programs, than take any job and that's -- with that as approach?

COMMISSIONER HARRIS: There is discussion. In fact, we spent time in D.C. speaking to our legislative delegation on some of those very issues. Frankly, I'm a bit discouraged. There's one -- the stalling in terms of taking any definitive action, in terms of what's going to happen with the overall TANF legislation, and then we've got real indications that there will be more restrictions, more requirements for work activity, but with less support for some of the real issues that we need to work with people on. I really think that's short-sighted. I mean, I think that, to the extent that we are able to maintain people, say, working, maybe in a part-time job, to the extent that they are available, with, actually, schooling for the balance of their time -- provides, maybe, for a population of people meeting that Federal focus, but

also dealing with what we need to deal with if people are going to be able to get beyond that first job. People with a full-blown family, where the job pays \$9.00 an hour, are just not going to be able to make it over the long haul. They have to have the literacy and marketable skills to be able to move on to a second job to make more money.

SENATOR CHARLES: Questions? (no response)

Thank you, Commissioner.

SENATOR LITTELL: Mr. Chairman.

SENATOR CHARLES: Oh, not so fast. We have a question from Senator Littell.

SENATOR LITTELL: Commissioner, you pointed out that the system is working. It did what it was supposed to do to get people off the welfare rolls and on the work rolls from 99,000 in April '97 to 42,000 in September of 2002. That's a remarkable record. Where are the 42,000 if they are no longer collecting? Are they on the street?

COMMISSIONER HARRIS: Some are working. Some are collecting unemployment. I think that, actually, we've got a couple of Mathematica reports that are using that sample of 2000 that I talked about, that I can forward to you, that could actually walk through where they are. But we do have-- I mean, some people are working. Some people have fallen out of work, and some people have dissipated or left our system. I shouldn't say they dissipated, but they have moved from our system for their own personal reasons. They may be on the street.

SENATOR LITTELL: The--

COMMISSIONER HARRIS: Oh, I'm sorry. I'm sorry. Dave just helped me here. No, I did my math backwards. The 42,000 that are still on the caseload, they're not on the street. The 42 are actively engaged, welfare clients. I thought you were giving me -- what's the number that is not left. No, we've still got a caseload, an active caseload.

SENATOR LITTELL: One of the disturbing statistics that we get during the budget cycle is that there's 7000 homeless people on the streets in New Jersey, and that most of those are veterans of Vietnam or some other event.

COMMISSIONER HARRIS: We do have homeless people. And, indeed, we have some people who are working who are homeless also. That's a part of the issue that I'm trying to raise here, in terms of how we have got to work together toward helping people beyond that first job, so that they can make enough money to be able to afford housing in New Jersey.

SENATOR LITTELL: And you're monitoring that?

COMMISSIONER HARRIS: We're monitoring it. We've got to work out some strategies that we can monitor.

SENATOR LITTELL: Okay. Is there any indication, through your statistics, that the rural counties in the state have not been as effective, maybe, as some of the suburban and urban counties where transportation is readily available?

COMMISSIONER HARRIS: Have not been as effective? I'm just--

SENATOR LITTELL: That's right.

COMMISSIONER HARRIS: That's what you said?

SENATOR LITTELL: Is there any indication that, because of the lack of transportation, that the rural counties are impacted more than anybody else?

COMMISSIONER HARRIS: Well, if I were to answer the question by looking at the data in terms of the people who have exceeded their five-year time limit and have been either exempted or extended, the preponderance of them are in urban counties -- Hudson, Essex, Passaic. If we were to look at-- So I would say that that's where, I would say, we have our largest problem, not just because of the numbers, but if you look at it in a pro rata basis, we still have got something going on there that we need to look at, and we're taking a closer look at.

In terms of the rural counties, I'll ask Dave. I haven't had anything particularly critical. I do know that there are challenges. As I indicated, those counties have, generally, risen to the challenge, to my knowledge, in developing unique and specific programs to meet their unique transportation challenges, as I indicated, and I guess Dave could talk about that more specifically.

MR. HEINS: The smaller rural counties have, actually, had greater success in moving people from welfare to work. Although transportation does present a bigger issue for them, many of them, than where we have urban areas that have some mass transit capacity.

I'll talk about your own county. Sussex County has been one of the first to come forward with strategies that utilize some of our resources -- because a car is very important to folks in Sussex County, since there is no other alternative -- where we have an allocation where they will make car

repairs to someone who has just gotten a job and their car breaks down. There's a limited amount of money that's available to provide those participants with funds for a car repair so they can get back to work. Also, for a one-time insurance payment or something like that, they do some things to help clear motor vehicle fines, etc. We find some of the other rural counties have been the ones that have developed feeder networks that have gone to the very limited mass transit lines that run through the county, so that they go where the population that they're serving resides and, then, transports them onto the bus lines that go through the county, in an effort to move them to where the employment and the child care resources are. So they've been very creative in some of those counties and use of the transportation block grant that we have provided. But that has been an issue for them, and most of them have stepped to the plate very well on that. Their success has shown they've been very good at achieving those goals.

SENATOR LITTELL: Thank you.

And thank you, Commissioner.

Thank you, Chairman.

SENATOR CHARLES: Senator Lance.

SENATOR LANCE: Thank you, Senator.

Commissioner, how many of your clients in New Jersey have come up against the 60-month limit?

COMMISSIONER HARRIS: About 1000.

SENATOR LANCE: A thousand. And, undoubtedly, that number will grow in each calendar year.

COMMISSIONER HARRIS: Probably. Yes, is the answer to the question. It will grow every month. They fall into different categories. We have some cases where we have children, and those cases will be with us probably for -- until the children turn 18. So you're looking at, if they're 11 or 12 now, so you're just adding to that.

SENATOR LANCE: So the 1000 would include children. What percentage--

COMMISSIONER HARRIS: About 30.

SENATOR LANCE: --if you know the answer, are adults of the 1000?

COMMISSIONER HARRIS: Oh, well, then that would be about 70 percent, if 30 percent are the children.

SENATOR LANCE: I presume the Federal legislation is directed at adults?

COMMISSIONER HARRIS: Right, right.

SENATOR LANCE: And it was written in 1996, in the election year.

MR. HEINS: The 1000 families all include adults, Senator.

SENATOR LANCE: Pardon me?

MR. HEINS: The 1000 families do all include adults.

SENATOR LANCE: So it's 1000 families?

MR. HEINS: Yes.

SENATOR LANCE: Have reached the 60-month limit in New Jersey, and that number will increase every year.

MR. HEINS: A couple hundred every month.

SENATOR LANCE: A couple hundred every month.

MR. HEINS: Yes.

SENATOR LANCE: So, if it's 200 a month, that would be 2400 would come on line and reaching the limit in the next year?

MR. HEINS: It's not a fixed number. It's a very fluid number, Senator. While, right now, next month there are 200 people we are tracking and looking at who will reach their 60th month next month, if they stay on. Some of those people are closing, due to employment this month. Some are leaving the state. Some are aging out. So, even though we know how many will reach in each month, we are working with those families with the workforce readiness system, with all of our -- to try to help move them off of cash assistance before they do reach the 60th month. It's not, we're waiting for that to happen. We are working aggressively. We identify them by name and go--

SENATOR LANCE: I'm not suggesting you're not, Assistant Commissioner.

COMMISSIONER HARRIS: Yes.

SENATOR LANCE: My question was merely one of fact. The answer is there are 1000 families that have reached the 60-month limit to this date, and your testimony to me this morning is that you believe there will be a significant increase in that in the next calendar year.

COMMISSIONER HARRIS: There will be an increase. I think what Dave is trying to, also, say is that it's not totally cumulative, that it is a dynamic -- a fluid-- You've got some leaving, as well as even those that have

been extended have -- do leave. So it's not that we add 200 every month and nothing leaves. That's why it's difficult to answer the question.

SENATOR CHARLES: The Senator's question and considering all of that, what is your projection of the number of people who would fall into that category over the next year?

SENATOR LANCE: This is a matter we will be facing in the Appropriations Committee--

COMMISSIONER HARRIS: Oh, definitely.

SENATOR LANCE: --in the spring, Senator Littell and Senator Charles and I.

COMMISSIONER HARRIS: So, if we were to do a projection for the upcoming year--

SENATOR LANCE: Not for today, perhaps, but I, as the Republican Chair of this Committee, through you, Commissioner, would like those figures in a timely fashion.

Moving on. Undoubtedly, you work with your colleagues across the country, and the 60-month limit is in all the states, not only in New Jersey. And have commissioners of Human Services, or related positions throughout the country, developed a strategy, perhaps together, as to what will occur, since we are now approaching the time when the five-year limit will have a significant impact throughout the nation?

COMMISSIONER HARRIS: Okay, let me indicate that we have the capacity to provide an exemption for up to 20 percent of our caseload.

SENATOR LANCE: Yes.

COMMISSIONER HARRIS: And within that, we are able to continue to fund and serve these people without -- basically, by using Federal funds. So, within that context, if the issue is what's going to be the new number, we're so far below our 20 percent of 40,000, at this juncture, we don't anticipate approaching it for, maybe, another three-to-some years.

Now, that being said, we have a plan that we are working on, and we are looking at what other states are doing. Part of it has to do with actually profiling who's being exempted. For example, a little over 20 percent -- I don't know if it's 21 percent, 22 percent of the group of folks that are exempted -- are exempted because of language barriers. That indicates that we need to begin developing programs that address that particular problem. There are others who are exempted because of illness of children or their own illness. That indicates needing to further our efforts relative -- is this a person who should be on SSI disability, etc., etc. So, I guess, what I'm saying is, what we're doing is, at this point, is profiling who it is that we are exempting.

The other thing that we have done is that we have pushed the date forward in terms of when counties are responsible for assessing the client. Previously it was at the third year, fourth year -- 34th month, I'm sorry. We pushed that back to the 12th month.

SENATOR LANCE: So, if you have 40,000 clients, 20 percent of that would be 8000, and you have the ability under Federal statute to extend benefits to 20 percent of your clientele?

COMMISSIONER HARRIS: Without the penalty.

SENATOR LANCE: Without the Federal penalty.

COMMISSIONER HARRIS: Right.

SENATOR LANCE: And your testimony to the Committee this morning, you said it will take us several years before we get anywhere near that 20 percent.

COMMISSIONER HARRIS: At the current rate and during that time, we are looking at what we need to do to pare that group down.

SENATOR LANCE: And this is certainly not a question for today, Commissioner, but when you come before us in the spring, before the Appropriations Committee, I would be interested to know, statistically, where New Jersey is regarding its 20 percent, in relationship to other states that are similarly situated -- and I would define them as Michigan and Ohio, states similar in population and, perhaps, in demographics, and other great states -- as to where we are. Of course, I'm hopeful that we're not as near our limit as they might be, but I'd be interested, by the time you report to us in the spring, as to where we are.

Thank you.

COMMISSIONER HARRIS: Sure.

SENATOR LANCE: Thank you, Co-Chairman.

SENATOR CHARLES: Thank you, Commissioner.

COMMISSIONER HARRIS: Okay. Thank you.

SENATOR CHARLES: Commissioner Brown, from the Department of Corrections.

Good morning, Commissioner. How are you?

COMMISSIONER DEVON BROWN: I'm fine.

Good afternoon, Chairmen Charles and Lance and members of the Committee. As you know, I am Devon Brown, the Commissioner of the

Department of Corrections. Joining me, to my right, is Assistant Commissioner Carrie Johnson, Assistant Commissioner of Programs.

I appreciate the opportunity to appear before you here this afternoon, with my colleagues and fellow commissioners, as you begin your review of the workforce development initiatives in both the public and private sectors.

My responsibility is, as you know, the State's correctional system and the prison inmate population. The legislation that established the Department of Corrections declared that the purpose of the Department was to protect the public and to provide for the custody, care, discipline, training, and treatment of adult offenders. Unfortunately, at times, it seems that the general public is interested in only our custody and discipline responsibilities, forgetting that over 95 percent of offenders will one day be released and returned to various communities throughout the state.

It is for that reason that I sincerely believe that these incarcerated men and women must be prepared to re-enter society with better skills, whether they be emotional or occupational, than they had when they became inmates. To that end, the Department, in addition to paid education and substance abuse staff, has over 100 nonprofit agencies providing services at our 14 institutions. They run the gamut from Alcoholics Anonymous, NA, religious organizations, literacy programs, and parenting programs. All research supports the fact that participation in drug treatment and academic and vocational classes better prepares an inmate for reintegration into society.

In April of 2000, the Department sponsored its first annual job fair and community awareness program at Mountainview Youth Correctional

Facility. There have been numerous job fairs held since then, which has resulted in some inmates securing jobs upon their release. The Department of Labor participates in the job fairs by setting up display tables to describe the One-Stop Career Centers. They offer information to each inmate about the welfare-to-work programs and the Department of Corrections and Human Services child support initiatives. Inmates with drug abuse issues are referred to the Division of Vocational Rehabilitation through the Work Force New Jersey welfare program. The Division of Vocational Rehabilitation also attends the job fairs.

Job fairs are positive experiences for inmates. They learn that private companies, educational institutions, and state agencies are interested in working with them. Potential employers can readily observe the inmates' interest by their attitude and participation, coupled with their résumés which document skills, training, and experience.

The Department of Labor established liaisons at each of the One-Stop Career Centers to specialize in employment services for offenders and ex-offenders, in coordination with the Residential Community Release Program employment counselors and parole and probation officers. An initiative between a halfway house program in Bridgeton and the Vineland One-Stop Career Center is evolving. Its purpose is to recognize, coordinate, and build upon, rather than duplicate, job readiness skills training services.

In Fiscal Year 2003, an interagency initiative between the Departments of Corrections and Human Services was implemented to encourage responsible parenting in noncustodial parents through the provision of parenting education, employment training, job placement assistance, and

other supportive services. Assistance with paternity and child support issues is also provided.

The Department of Human Services provided \$500,000 in Temporary Assistance for Needy Families, TANF funds, to the Department of Corrections to coordinate with the Department of Labor for employment services and to contract parenting services for inmates assigned to Residential Community Release Programs in Essex, Camden, and Cumberland counties.

In 2000, the Department of Labor partnered with the New Jersey Network in an initiative that seeks to deliver workforce training programs and training services, including literacy and job readiness, to those New Jersey residents seeking viable jobs. The Department of Corrections enjoys a participating partnership in this initiative via a workplace literacy pilot program at Hope Hall in Camden, one of our contracted Community Release Programs. To date, Hope Hall has provided the literacy program to over 300 offenders.

The National Institute of Corrections contracted with the National Career Development Association to provide Offender Workforce Development Specialist Training to selected teams, for various states, through a competitive grant application process. The New Jersey team -- Corrections, Labor and the State Parole Board -- was one of only five teams awarded a grant and selected to participate. The ultimate goal of this train-the-trainer initiative is for this team to train diverse groups of participants who work in various capacities with both offenders and ex-offenders in the areas of job readiness, job training, and employment services.

The New Jersey team will complete its third and final week of training this month. They will then develop an action plan to implement this training.

Through the Office of Chaplaincy Service, the Department of Corrections has recently initiated a re-entry initiative. The Chaplaincy Network program is a faith-based mentoring initiative that involves the Department partnering with the religious communities in the State to assist the incarcerated to successfully transition back into society. The program involves newly released men and women being mentored by individuals from their respective faith traditions and communities. The mentors, along with the faith-based communities to which they belong, serve as part of the support network that is so vital to individuals upon their release from years of incarceration.

As you can see, the Department of Corrections has many partners working with us, as we attempt to prepare inmates for reintegration into society. As I stated in the beginning of my testimony, I truly believe that it is our responsibility to help offenders to change their lifestyle, to rejoin society better prepared to meet the challenges that await them. I assure you that this is, and will continue to be, my goal as the Commissioner of the New Jersey Department of Corrections.

That concludes my testimony. I will be happy, at this time, to entertain any questions from the Committee.

SENATOR CHARLES: Does the Department of Corrections, just internally, carry on any broad-based educational basic skills or vocational training programs within the institutions?

COMMISSIONER BROWN: The short answer is yes, very much so. The Committee should be aware that education will be the foundation, the milestone, of my administration as Commissioner.

SENATOR CHARLES: What do you do? What programs exist now? Somebody is in Northern State. Somebody is incarcerated there. What does that person get by way of opportunity for basic skills development, education, whatever?

COMMISSIONER BROWN: The process actually begins upon entry into the correctional system, whereupon all inmates are assessed. They go through a very comprehensive assessment process, which includes educational assessment. Based on that assessment, they are directed towards a host of different educational initiatives. But let me point to recent initiatives that really speak to my passion about this subject.

As many, if not all, of you know, one of the greatest sources of entertainment and one of the greatest pastimes of inmates is watching TV. Unfortunately, those programs that are watched have little constructive purpose other than entertainment. But with that reality in mind, I have instructed my staff to utilize the TV watching towards positive ends. In that regard, all the TVs throughout our system, every one of our fourteen institutions, are either currently wired or will soon be wired so that we control the programming, and that programming will be educational in nature. No longer will inmates be watching *Jerry Springer*. They will be watching educationally enriching programming.

We have embarked upon contracts with A&E, with the Discovery Channel, with the Biography Channel, and a host of other companies to

provide us, at reduced rates, educationally oriented videos. They will be broadcast en masse. If an inmate turns on the TV, that inmate will watch something that is educationally enriching.

SENATOR CHARLES: Suppose-- I think a lot of the public would like to know what, including this legislative body, what, typically, is required of an inmate from an educational standpoint? Somebody comes in and has been sentenced, has to do some time in an institution, does that person have to go through an initial assessment as to his or her reading abilities, skills, and so on, and if they are found to be deficient, then have to participate in some sort of educational program or a vocational program, or is that something that is not required?

COMMISSIONER BROWN: Under -- it depends on the individual. For example, if the individual is 21 years of age and under, there is no question, from Federal legislation as well as State legislation mandates, that an individual continue with his or her education under the--

SENATOR CHARLES: That's provided where? Within the institution? So you bring in teachers or instructors to do that.

COMMISSIONER BROWN: We have a staff of educational instructors. We rely heavily on volunteers. I've been in dialogue with the Commissioner of Education. I'm seeking additional assistance. We have been in contact, deep dialogue, with Senator Bryant to put forth legislation. I ask your support in this regard, everyone on the Committee, that would mandate, irrespective of age -- mandate that everyone who tests below an eighth-grade level be required to embark upon educational enrichment.

SENATOR CHARLES: Okay. Right now, it's required of those 21 years and under?

COMMISSIONER BROWN: Yes, Sir.

SENATOR CHARLES: Above age 21, it's optional with the inmate as to what educational opportunities he or she takes advantage of?

COMMISSIONER BROWN: Yes, Sir.

SENATOR CHARLES: Okay. Records. I mean, we're talking about workforce development. We're talking about those who have a criminal record and them going back into society and getting a job. Do you track -- what agency -- the Department of Corrections or some other State agency -- tracks the employment success or failures of those who leave the institutions? Is there any tracking of that to determine what percentages actually get jobs?

COMMISSIONER BROWN: Sir, we just this week reviewed our strategic plan, as a Department. I have instructed our researchers to do just that -- that performance measures, other than return rates, recidivism, are important, and whether or not an inmate obtains employment upon release, after the investment of the State, and ensuring that that individual develop marketable skills. We must have that tracking. So we are in the midst of doing just that.

SENATOR CHARLES: I've watched us as a legislative body do some things over the last several years that seem to be counter to realizing more employment on the part of those who've been incarcerated and who are released. That is, we've been passing legislation which says that you have a jacket, you have a criminal record, you can't get a job in certain places. We've been saying that with respect to State agencies and State employment. I don't

know what happens in the private sector, but I would suppose that if the public sector, with all of its public-mindedness and general overall concern, is barring the door, I would imagine that that same bar exists in the private industry also. I mean, what's your reaction to that in the context of our workforce development?

COMMISSIONER BROWN: Well, you either pay now or you pay later, if you're going to have that type of orientation that would put widespread bans on inmates and inmates' abilities to secure employment. The employment is just the foundation of success in the community. You're dealing with people who don't have a history, for the most part, of constructively seeking an income. You're just putting additional burdens in front of them that will in the long run, or the short run, for that matter, lead to their reincarceration.

SENATOR CHARLES: Personally, I understand it from the point of view of sexual predators and people with those kind of psychological, and other kinds of mental and other criminal, aspects where there's recidivism and disease, it's impulsive, it can't be controlled, and so on. I understand it in that context, but I think across the board, just generally, a criminal jacket being a bar is, without regard to the particular crime or even a prior history or something, that it does stand as a bar and a barrier, clearly, to that population being able to even aspire and obtain a job.

COMMISSIONER BROWN: It impacts upon public safety. There are very few individuals who come under correctional control who commit crimes that are victimless. So, when you put barriers of the nature

that you just spoke about in their path, what we're, in essence, doing as a community, as a State, is ensuring that somebody is going to get hurt.

SENATOR CHARLES: Any other questions? (no response)

Thank you, Commissioner.

COMMISSIONER BROWN: Thank you so much.

SENATOR CHARLES: Thank you for taking the time to present your testimony before our Committee.

We'll now hear from Dr. Henry Plotkin and Mr. John Heldrich, Chairperson of the SETC, and Executive Director of the SETC.

JOHN J. HELDRICH: Thank you.

SENATOR CHARLES: Good morning.

MR. HELDRICH: Good morning.

I'll take five minutes at most. This does remind me, however, when I was heading the revitalization in New Brunswick, which some of you may have been around, at the time, when we wanted to get the Route 18 overpass through. I went to a meeting of this nature -- much larger, about 300 people were there -- to testify. Because I was in my home territory, they said, "John, you'll be up and out of here in about ten minutes." About 1:00 in the morning, I was called, and I'm stubborn. There were three people there, and I said, "I'm going to say what I want to say."

I really appreciate your taking a few extra minutes, because my youngest son is in intensive care down in Maryland, and this is so important to me that I told my wife to go on down, and I would get there as soon as I could. So it's worth the wait for me to say a few words.

The white paper is kind of my last hurrah. I've been involved in this process at the State level -- in fact, it was Tom Kean who got me involved, in fact, when he asked me one day what I thought of the Work Force Development System, and I said, "It's fragmented." So it sounds like déjà vu all over again, here. I reached a point in 2000 where I said that in 2001 that I had to lay out a white paper and let it all hang out. I had reached my limits that the-- We're at the crossroads, and it's an economic and social imperative for this State that we make systemic changes in our system, in the way we run things. So I said, "Well, we'll go for a white paper," and we spent the summer putting that white paper together, with the objective that it would act as a framework for action, for discussion, and because I am convinced that there has to be a transformation and systemic change in all areas.

I've built companies, with Johnson & Johnson. I've built a worldwide administrative structure for servicing a decentralized operation. I say from the very depths of my heart that, if there's anything you can do and should do relative to not business as usual, that this-- We are literally at the crossroads. I can say -- go on for hours on this, but-- I had to shorten my message, but I certainly can answer any questions. We're going to go through a major transformation on the Commission. It hasn't been effectively utilized as it should be, but it made tremendous progress.

We have a new system in the State. I've been through them all, from the Workforce Manpower Act in 1960; to the '70s; to SETC; to JTTA, which was the first input of private-sector people; than Workforce Investment Act, which they modeled after our State and our concepts. I've been at the ground level of all those. When you figure it takes 30 years to get that far, and

I sit here and I listen to the same rhetoric and defensiveness of some people, I said it's time where you have to draw a line and say we have to move forward, and move forward in a hurry.

I appreciate the opportunity to say that. I've had a lot more to say. I'm working very hard. I've met with the Governor, last week. One of my prime objectives was, when you hit the great ceiling, it must be a core value of any administration, and it has not been. Tom Kean told me, not a few weeks ago, he said, "John, I don't know how you survived so long." I said, "Well, I'm stupid and stubborn." So we are at the crossroads, and I'll meet with anyone, talk with anyone at any time of the day. I'm a little emotional now because I've got other things on my mind. But I just wanted to have my say because it's very important.

SENATOR CHARLES: Thank you, Mr. Heldrich.

I appreciate your coming in and all the services that you have rendered over the many years, to the State of New Jersey and the citizens of the State of New Jersey, in connection with the workforce-development-type programs. I was part of the first Commission, back in the '80s--

MR. HELDRICH: That's right.

SENATOR CHARLES: --that Governor Kean established. I was one of the members of that -- in the Legislature on that. I remember you then and, of course, over the years. Let me just say this, the paper that--

MR. HELDRICH: I'm a lot older now.

SENATOR CHARLES: We both are, right? (laughter)

It was uncolored. It was all dark at that point in those days. But, in fact, your paper has spurred us, we, as a Committee. I know my Committee

Aide and I, and Chairman Lance, we sat down and talked about what we, as a committee, might do that would be productive, potentially, and helpful in the State of New Jersey, especially as pertains to labor and development of jobs and meeting the needs of employers, also. This is, certainly, a very important thing that we're doing today, and your paper was the inspiration for all of that -- gave us the basis and is the framework that we are using in pursuing these hearings. And hopefully, finally, hopefully we'll do something that makes a difference in the way we look at this issue and what we do about it.

Thank you very much.

MR. HELDRICH: I appreciate that very much.

Thank you.

SENATOR CHARLES: Yes, I'm sorry. Dr. Plotkin will speak at the next meeting.

HENRY PLOTKIN, Ed.D.: I shall return. Thank you.

SENATOR CHARLES: Dr. Plotkin shall return.

Thank you very much, Doctor.

The meeting is adjourned.

(HEARING CONCLUDED)