

CHAPTER 235

AN ACT concerning workforce development funds and amending and supplementing P.L.1992, c.43.

BE IT ENACTED by the Senate and General Assembly of the State of New Jersey:

C.34:15D-25 Findings, declarations relative to workforce development funds.

1. The Legislature finds and declares that:

a. New Jersey, the headquarters of many of the leaders in the field of industrial research and development, has a long, successful history of innovation in the technology field.

b. New Jersey is the birthplace of such varied technology and inventions as: the quadruplex telegraph in 1874; the phonograph in 1877; the “band aid” in 1920; air conditioning in 1921; the first long distance television transmission in 1927; condensed soup in 1939; the first commercial mobile telephone service in 1947; tetracycline in 1952; the solar cell battery in 1954; bubble wrap and the laser in 1957; vaccines to prevent the mumps and the measles in 1963; the UNIX operating system in 1969; and the digital signal processor chip in 1980.

c. Some of the most important inventors and technology companies in the world call New Jersey home. These companies, working in concert with universities, business partners and scientists, are part of the innovation ecosystem that consumers in the State, nation and around the world depend on and need to drive the economy.

d. An innovation ecosystem is an environment in which the persons who have the knowledge, ideas and actions are connected by institutional entities, such as universities, business firms, research institutes, state and local governments, and policy makers, to the materials and capital needed to spur development, inventions and economic growth.

e. It is essential that New Jersey acts to fertilize, maintain and grow an innovation ecosystem that allows technological ideas to flourish in New Jersey, and to expand upon the already rich environment for the development of technology in the State.

f. By directing workforce development funds toward the establishment of technological seed growth in New Jersey, the State will assist in the growth of the type of innovation ecosystem that has created such groundbreaking technology in the past.

g. Legislation is needed to dedicate workforce development funds to create a grants-funded fellowship program to support technology research and innovation throughout the State.

2. Section 9 of P.L.1992, c.43 (C.34:15D-9) is amended to read as follows:

C.34:15D-9 Workforce Development Partnership Fund.

9. a. A restricted, nonlapsing, revolving Workforce Development Partnership Fund, to be managed and invested by the State Treasurer, is hereby established to: provide employment and training services to qualified displaced, disadvantaged and employed workers by means of training grants or customized training services; provide for the other costs indicated in subsection a. of section 4 of P.L.1992, c.43 (C.34:15D-4); provide for the New Jersey Innovation and Research Fellowship Program as provided for in section 3 of P.L.2015, c.235 (C.34:15D-26); and facilitate the provision of education and training to youth by means of grants provided by the Youth Transitions to Work Partnership pursuant to the provisions of P.L.1993, c.268 (C.34:15E-1 et al.). All appropriations to the fund, all interest accumulated on balances in the fund and all cash received for the fund from any other source shall be used solely for the purposes specifically delineated by this act.

b. During any fiscal year beginning after June 30, 2001, of the total revenues dedicated to the program during any one fiscal year: 25% shall be deposited in an account of the Workforce Development Partnership Fund reserved to provide employment and training services for qualified displaced workers; 6% shall be deposited in an account of the Workforce Development Partnership Fund reserved to provide employment and training services for qualified disadvantaged workers; 42% shall be deposited in an account of the Workforce Development Partnership Fund reserved for and appropriated to the Office of Customized Training; 3% shall be deposited in an account of the Workforce Development Partnership Fund reserved for occupational safety and health training; 5% shall be deposited in an account of the Workforce Development Partnership Fund reserved for the Youth Transitions to Work Partnership created pursuant to P.L.1993, c.268 (C.34:15E-1 et seq.); 3% shall be deposited in an account of the Workforce Development Partnership Fund reserved for the New Jersey Innovation and Research Fellowship Program established pursuant to section 3 of P.L.2015, c.235 (C.34:15D-26); 10% shall be deposited in an account of the Workforce Development Partnership Fund reserved for administrative costs as defined in section 3 of P.L.1992, c.43 (C.34:15D-3); 0.5% shall be deposited in an account of the Workforce Development Partnership Fund reserved for the State Employment and Training Commission to design criteria and conduct an annual evaluation of the program; and 5.5% shall be deposited in an account of the Workforce Development Partnership Fund to be used, at the discretion of the commissioner, for any of the purposes indicated in subsection a. of section 4 of P.L.1992, c.43 (C.34:15D-4).

c. Beginning January 1, 1995, through June 30, 2002, the balance in the fund as of the previous December 31, as determined in accordance with generally accepted accounting principles, shall not exceed 1.5 times the amount of contributions deposited for the calendar year then ended. If the balance exceeds this amount, the excess shall be deposited into the unemployment compensation fund within seven business days of the date that the determination is made.

d. Beginning July 1, 2002, and for any subsequent fiscal year, if the unexpended cash balance in any of the accounts indicated in subsection b. of this section, less any amount awarded in grants but not yet disbursed from the account, is determined to exceed 20% of the amount of contributions collected for deposit in the account pursuant to this subsection during the fiscal year then ended, the excess shall be regarded as an unemployment compensation contribution and deposited into the unemployment compensation fund within seven business days of the date that the determination is made.

C.34:15D-26 New Jersey Innovation and Research Fellowship Program.

3. a. The Department of Labor and Workforce Development, in consultation with the New Jersey Economic Development Authority, shall establish the New Jersey Innovation and Research Fellowship Program.

b. The New Jersey Innovation and Research Fellowship Program shall be funded through the funds reserved for that program from the Workforce Development Partnership Fund pursuant to section 9 of P.L.1992, c. 43 (C.34:15D-9). The funds shall be distributed by the department as follows:

(1) The department shall work in consultation with the New Jersey Economic Development Authority to fund, no less than, 20 fellowships, administered by the department, which focus on information technology research and innovation. The fellowships may be provided to entities, of which at least eight shall be large businesses, employing more than 25 people and eight shall be small businesses, employing from two to 24 people. The

remainder of the fellowships may be authorized according to the discretion of the department.

(2) The fellowships shall be issued for two to three years each and shall be used primarily for research and innovation; not capital purchases.

c. The department, in consultation with the New Jersey Economic Development Authority, shall promulgate rules and regulations providing for the establishment, administration and evaluation of the New Jersey Innovation and Research Fellowship Program.

d. The department, in consultation with the New Jersey Economic Development Authority, shall conduct an evaluation of the effectiveness of the New Jersey Innovation and Research Fellowship Program to spur growth in the information technology research fields no later than five years after the approval of the first fellowship.

4. This act shall take effect immediately.

Approved January 19, 2016.