



# New Jersey State Employment and Training Commission

Dennis M. Bone, *Chairman*

Chris Christie, *Governor*

## **POLICY RESOLUTION: SETC #2015-02**

**SUBJECT:** New Jersey Local Area Designations

### **Background**

The Workforce Innovation and Opportunity Act (WIOA) of 2014 requires that the Governor designate local areas that are consistent with labor market areas in the State, are consistent with regional economic development areas in the State, and have available the Federal and non-Federal resources necessary to effectively administer activities under 29 U.S.C. 3151 through 3181 (Chapter 32, Subchapter I, Part B, of WIOA) and any other applicable provisions of WIOA, including whether the areas have the appropriate education and training providers, such as institutions of higher education and area career and technical education schools. This is to be done through consultation with the State workforce development board and after consultation with chief elected officials and local boards, and after consideration of comments received through the public comment process as described within 29 U.S.C. 3112(b)(2)(E)(iii)(II).

### **Initial Designation and Timeframe**

WIOA states that during the first 2 full program years following July 22, 2014, the Governor shall approve a request for initial designation as a local area from any area that was designated as a local area for purposes of the Workforce Investment Act of 1998 (WIA) for the 2-year period preceding July 22, 2014, performed successfully, and sustained fiscal integrity.

**The period of initial designation for local areas will be from July 1, 2015 – June 30, 2017. This covers Program Years 2015 and 2016. Local areas must submit requests for initial designation using the process included in this policy.**

### **Subsequent Designation and Timeframe**

WIOA further states that after the initial designation period, the Governor shall approve a request for subsequent designation as a local area from such local area, if such area has performed successfully, sustained fiscal integrity and in the case of a local area in a planning region, met the requirements described in 29 U.S.C. 3121(c)(1).

The SETC will create a policy and process for subsequent local area designations, which will be set forth with the Governor's approval in the New Jersey Combined State Plan. The State Plan will be submitted to USDOL by March 3, 2016. **The subsequent local area designation will be effective July 1, 2017.**

### **RESOLUTION:**

**As required under the Workforce Innovation and Opportunity Act (WIOA) of 2014, the State Employment and Training Commission hereby resolves that local area requests for initial designation be reviewed and approved or denied, as outlined in this document, for a period of initial designation from July 1, 2015 through June 30, 2017. At such time, a policy for subsequent designations of local areas will take effect.**

**Attachment:** Local Area Initial Designation Request Letter Template  
**Commission Approved: October 9, 2015**

## **New Jersey Local Area Initial Designation Policy, Process and Definitions**

### **Initial Designation Submission Items**

1. Letter of Request approved by local workforce development board, signed by board chairperson
2. Proof of Approval of request by local elected officials, signed by chief local elected official

### **Initial Designation Submission Process/Timeline**

1. SETC provides local areas with Initial Designation Request letter Template for local board signature and approval by Local Elected Officials: **October 2015**
2. Local areas submit signed request letter with local elected official approval to SETC: **December 28, 2015**
3. SETC and NJLWD verify local area performance and fiscal integrity for PY 2012 and PY 2013: **January 2016**
4. SETC approves or denies local area requests for initial designation: **January 2016**
5. SETC provides notice of approval/denial of initial designation requests to local areas: **February 2016**

### **Performance Success**

An area shall be determined to have performed successfully, for the purposes of initial designation, if:

- a) the local area has met or exceeded all common measures under WIA in the two preceding years, Program Years 2012 and 2013. To meet the measure, the local area must have achieved at least 80% of the performance target

OR

- b) the local area did not meet one or more of the common measures in either/both of these program years and subsequently created a performance improvement plan or corrective action plan, which was approved by the SETC. The area must have followed through on the planned improvements and subsequently met or exceeded that measure in the following program year.

With regard to the above definition of “performance success,” the State has provided local areas with a degree of flexibility in a manner consistent with pertinent State rules; specifically, N.J.A.C. 12:42-3.1 et seq.

### **Fiscal Integrity**

An area shall be determined to have sustained fiscal integrity, if the Secretary of the United States Department of Labor has not made a formal determination, during either of the last 2 consecutive years preceding the determination regarding such integrity, that either the grant recipient or the administrative entity of the area misexpended funds provided under 29 U.S.C. 3151 through 3181 (Chapter 32, Subchapter 1, Part B, of WIOA) (or, if applicable, title I of the Workforce Investment Act of 1998 as in effect prior to the effective date of such part B of this subchapter) due to willful disregard of the requirements of the provision involved, gross negligence, or failure to comply with accepted standards of administration.

### **Appeals**

Any unit of general local government (including a combination of such units) or grant recipient that requests but is not granted designation of an area as a local area may appeal that determination pursuant to the procedure set forth at N.J.A.C. 12:42-3.11 (Appeals). When utilizing the procedure at N.J.A.C. 12:42-3.11 for the purpose of challenging a denial of local area designation, one should substitute the phrase, “denial of local area designation” for the phrase, “corrective action and/or penalty determination;” and one should substitute the term “State Employment and Training Commission” for the term “Assistant Commissioner.”

**SETC Resolution #2015-02 - Attachment:** Local Area Initial Designation Request Letter Template

Dennis M. Bone, Chairman  
New Jersey State Employment and Training Commission  
PO Box 940  
Trenton, NJ 08625-0940

Chairman Bone:

On behalf of the \_\_\_ Local Area and the \_\_\_ Workforce Development Board, we are formally requesting the initial designation of the \_\_\_ Local Area, as outlined under the Workforce Innovation and Opportunity Act (WIOA) of 2014.

As required in WIOA Section 106(b)(2), the \_\_\_ Local Area was designated as a local area under the Workforce Investment Act of 1998, and functioned as a local area for the 2-year period preceding the enactment of WIOA in July 2014.

Under the prior Workforce Investment Act (WIA) of 1998, the \_\_\_ Local Area performed successfully and met or exceeded the required WIA performance measures for each of the last 2 consecutive years. The performance measures are recorded as Program Year 2012 (July 1, 2012 - June 30, 2013) and Program Year 2013 (July 1, 2013 - June 30, 2014). [In \_\_\_ instance(s), \_\_\_ common measure(s) was/were not met in \_\_\_ Program Year; a performance improvement plan or corrective action plan was developed by the \_\_\_ Local Area in coordination with the New Jersey State Employment and Training Commission (SETC) and the New Jersey Department of Labor and Workforce Development (NJLWD). Technical assistance was provided by these agencies and the performance measure was subsequently met or exceeded in the following year.]

The \_\_\_ Local Area also confirms that it has sustained fiscal integrity in this time period and meets the requirements of fiscal integrity as defined in SETC Policy #2015-02.

As part of this request, the \_\_\_ Local Area acknowledges that it does not, by itself, constitute a labor market area, and therefore commits to participate in New Jersey's regional coordination efforts, including regional planning, regional resource allocation and regional coordination of services, as part of the region identified by the State.

We thank you for your consideration of this request and look forward to serving the workforce system of New Jersey under the Workforce Innovation and Opportunity Act.

Sincerely,

Chairperson  
\_\_\_\_\_ Workforce Development Board

cc: Harold J. Wirths, NJLWD Commissioner  
Aaron R. Fichtner, NJLWD Deputy Commissioner  
SETC Executive Director