

SENATE, No. 348

STATE OF NEW JERSEY 217th LEGISLATURE

PRE-FILED FOR INTRODUCTION IN THE 2016 SESSION

Sponsored by:

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SYNOPSIS

Establishes NJ Innovation and Research Fellowship Program in DOLWD.

CURRENT VERSION OF TEXT

Introduced Pending Technical Review by Legislative Counsel.



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

3

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

6

7 1. (New section) The Legislature finds and declares that:

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

11 b. New Jersey is the birthplace of such varied technology and
12 inventions as: the quadruplex telegraph in 1874; the phonograph in
13 1877; the “band aid” in 1920; air conditioning in 1921; the first
14 long distance television transmission in 1927; condensed soup in
15 1939; the first commercial mobile telephone service in 1947;
16 tetracycline in 1952; the solar cell battery in 1954; bubble wrap and
17 the laser in 1957; vaccines to prevent the mumps and the measles in
18 1963; the UNIX operating system in 1969; and the digital signal
19 processor chip in 1980.

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

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

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

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

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

43

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

EXPLANATION – Matter enclosed in bold-faced brackets **[thus]** in the above bill is not enacted and is intended to be omitted in the law.

Matter underlined thus is new matter.

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

17 b. During any fiscal year beginning after June 30, 2001, of the
18 total revenues dedicated to the program during any one fiscal year:
19 25% shall be deposited in an account of the Workforce
20 Development Partnership Fund reserved to provide employment and
21 training services for qualified displaced workers; 6% shall be
22 deposited in an account of the Workforce Development Partnership
23 Fund reserved to provide employment and training services for
24 qualified disadvantaged workers; **[45%]** 42% shall be deposited in
25 an account of the Workforce Development Partnership Fund
26 reserved for and appropriated to the Office of Customized Training;
27 3% shall be deposited in an account of the Workforce Development
28 Partnership Fund reserved for occupational safety and health
29 training; 5% shall be deposited in an account of the Workforce
30 Development Partnership Fund reserved for the Youth Transitions
31 to Work Partnership created pursuant to P.L.1993, c.268 (C.34:15E-
32 1 et seq.); 3% shall be deposited in an account of the Workforce
33 Development Partnership Fund reserved for the New Jersey
34 Innovation and Research Fellowship Program established pursuant
35 to section 3 of P.L. c. (C.) (pending before the
36 Legislature as this bill); 10% shall be deposited in an account of the
37 Workforce Development Partnership Fund reserved for
38 administrative costs as defined in section 3 of P.L.1992,
39 c.43 (C.34:15D-3); 0.5% shall be deposited in an account of the
40 Workforce Development Partnership Fund reserved for the State
41 Employment and Training Commission to design criteria and
42 conduct an annual evaluation of the program; and 5.5% shall be
43 deposited in an account of the Workforce Development Partnership
44 Fund to be used, at the discretion of the commissioner, for any of
45 the purposes indicated in subsection a. of section 4 of P.L.1992,
46 c.43 (C.34:15D-4).

47 c. Beginning January 1, 1995, through June 30, 2002, the
48 balance in the fund as of the previous December 31, as determined

1 in accordance with generally accepted accounting principles, shall
2 not exceed 1.5 times the amount of contributions deposited for the
3 calendar year then ended. If the balance exceeds this amount, the
4 excess shall be deposited into the unemployment compensation
5 fund within seven business days of the date that the determination is
6 made.

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

17 (cf: P.L.2001, c.152, s.12)

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19 3. (New section) a. The Department of Labor and Workforce
20 Development, in consultation with the New Jersey Economic
21 Development Authority, shall establish the New Jersey Innovation
22 and Research Fellowship Program.

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

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

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

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

45 d. The department, in consultation with the New Jersey
46 Economic Development Authority, shall conduct an evaluation of
47 the effectiveness of the New Jersey Innovation and Research
48 Fellowship Program to spur growth in the information technology

1 research fields no later than five years after the approval of the first
2 fellowship.

3

4 4. This act shall take effect immediately.

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STATEMENT

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9 New Jersey, the headquarters of leaders in the field of research
10 and development, has a long, successful history of innovation in the
11 technology field. This bill will focus workforce development funds
12 for a New Jersey Innovation and Research Fellowship Program
13 which will provide grants to support a technological research and
14 innovation ecosystem in New Jersey.

15 Many of these technological advances and inventive successes
16 are due to the unique intersection of knowledge, education and
17 business that exists in New Jersey. New Jersey technological
18 companies are part of the innovation ecosystem that is creating the
19 technological base and network that consumers in the State, nation
20 and world depend on and need to drive the economy. An
21 innovation ecosystem is an environment in which the persons who
22 have the knowledge, ideas and actions are connected by the
23 institutional entities, such as universities, business firms, research
24 institutes, state and local governments, and policy makers to the
25 materials needed to spur development, inventions and economic
26 growth.

27 It is essential that New Jersey acts to fertilize, maintain and grow
28 an innovation ecosystem that allows technological ideas to flourish
29 in New Jersey and expand upon the already rich environment for
30 information technology in the State.

31 By dedicating a portion of the Workforce Development
32 Partnership Fund to the establishment of technological seed growth
33 in New Jersey, the State will assist in the growth of the type of
34 innovation ecosystem that has created groundbreaking technology
35 in the past.