

ASSEMBLY APPROPRIATIONS COMMITTEE

STATEMENT TO

[Second Reprint]

SENATE, No. 659

STATE OF NEW JERSEY

DATED: JUNE 22, 2023

The Assembly Appropriations Committee reports favorably Senate Bill No. 659 (2R).

This bill requires various State entities to promote manufacturing career pathways for students and provides assistance to the manufacturing industry.

Under the bill, the Commissioner of Labor and Workforce Development, in consultation with the Secretary of Higher Education, Commissioner of Education, the New Jersey Council of County Colleges, the New Jersey Council of County Vocational Schools, and representatives of the business community, will promote and support the implementation of the manufacturing career pathway offered through the New Jersey Pathways to Career Opportunities Initiative operated by the New Jersey Community College Consortium for Workforce Development to provide students interested in pursuing a career in manufacturing with the instruction and skills necessary to gain employment in the manufacturing or advanced manufacturing sectors. The manufacturing career pathway will include traditional and advanced manufacturing processes and methods of production including, but not limited to, the machinery, technology, tools, and equipment used in a wide range of manufacturing industries.

The bill establishes a “Higher Education Manufacturing Grant Program,” to be administered by a three-person commission which will include the Secretary of Higher Education, a representative of the New Jersey Manufacturing Extension Program, and a representative of the New Jersey Community College Consortium for Workforce and Economic Development. The commission will annually award \$10 million to New Jersey institutions of higher education, proprietary institutions, and county vocational school districts for the purpose of establishing or expanding programs in the manufacturing fields, and marketing and promoting current programs in the manufacturing fields.

Under the bill, the Secretary of State, in consultation with the Commissioner of Labor and Workforce Development, will designate an existing or newly hired employee of the Business Action Center in the Department of State to act as a liaison between the State and

manufacturing businesses located in this State. The duties of the liaison will be to assist manufacturing businesses by:

- advertising manufacturing businesses' products or services nationally and internationally through the Business Action Center;
- establishing a business referral service where manufacturing businesses may be referred to other State, federal, or private business resource organizations; and
- identifying and promoting opportunities throughout the State for postsecondary pathway programs to actively reskill and upskill the current workforce to better meet the needs of manufacturing fields.

The Secretary of State is to work with State departments, agencies, boards, commissions, and authorities to direct resources, create incentives, and provide technological, financial, and workforce development opportunities for manufacturing businesses.

The bill also establishes in the New Jersey State Employment and Training Commission, the New Jersey Advanced Manufacturing Council. The council will consist of 11 members who are individuals with experience in the fields of labor, education, or workforce development or training. The bill directs the council to:

- convene and enable industry-led, private-public partnerships focused on engaging New Jersey institutions of higher education in manufacturing innovation;
- design and implement an advanced manufacturing initiative to facilitate collaboration and information sharing across State departments and agencies;
- assist private companies to enhance technological transfer in New Jersey manufacturing industries to help companies overcome technical obstacles to scaling up production of new technologies; and
- submit an annual report to the Governor, to the Legislature, and to the State Employment and Training Commission, of its assessments and recommendations to enhance State policy related to the advanced manufacturing industry in New Jersey.

As reported by the committee, this bill is identical to the Assembly Bill No. 2014(1R), which was also reported by the committee on this same date.

FISCAL IMPACT:

The Office of Legislative Services (OLS) determines that this bill will increase annual State expenditures across several State agencies in order to implement various requirements of the bill that aim to promote manufacturing-oriented education and the manufacturing industry at-large. In total, the OLS estimates State costs of approximately \$10.4 million in the first year of implementation. State costs thereafter would be at least \$10.1 million due to the bill's

establishment of the Higher Education Manufacturing Grant Program and the bill's requirement to designate a liaison between the State and manufacturing businesses.

The bill requires that \$10 million be annually awarded under the Higher Education Manufacturing Grant Program to county colleges, four-year institutions of higher education, proprietary institutions, and county vocational school districts for the purposes of establishing or expanding programs in the manufacturing fields and for marketing and promoting current programs.

The State may also incur annual cost increases in the event that the Business Action Center within the Department of State hires a new employee to be a liaison between the State and manufacturing businesses located in the State. Employing certain assumptions, the OLS estimates that the approximate annual cost of providing for the salary and benefits of the liaison would be \$125,500.

Several other measures in the bill aimed at the promotion of manufacturing in the State could result in indeterminate State expenditure increases, the magnitude of which would be dependent on resource allocation and implementation decisions of various agencies.