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To: Senator Andrew Zwicker, Assemblywoman Mila Jasey, and Members of the Legislature

From: Kyle Sullender, Director of Economic Policy Research & Althea Ford, Vice President, Government Affairs

Date: May 1, 2023

RE: Higher Education and Workforce Development in the State of New Jersey

On behalf of NJBIA, the largest and most influential business association in New Jersey, we appreciate Senator Zwicker and Assemblywoman Jasey for inviting us to testify this morning regarding New Jersey's higher education and workforce development ecosystem.

These issues are of significant concern for NJBIA, as the sustainability of New Jersey's businesses, both today and as we look to the future, relies upon the availability of well-trained workers to fill new and existing positions.

These issues are even more relevant today as our state continues to recover from the economic shocks of the pandemic, but it is not only because of recent events that our state must pay close attention to the structure of its workforce development and education ecosystem.

Today, critical industries such as health care and manufacturing face labor shortages. Despite a 3.5% unemployment rate, the most recent estimates from the Bureau of Labor Statistics suggest that there remain 268,000 job openings in the state of New Jersey. While these figures fluctuate naturally with economic and business cycles, broader trends related to the retirement of aging workers threaten to expose critical industries to further shortages.

As a result, it is critical that New Jersey's workers have access to education and training that will fill the needs of industry and allow job seekers to connect with employers in search of their abilities. As we prepare for the challenges mentioned above, we must recognize that the responsibility for ensuring that these workers have the proper training will fall on our state's higher education and workforce development institutions.

For these institutions to continue successfully preparing students to enter the workforce, we must continue to find ways to support their collaboration and alignment over common goals. One such program already underway to achieve this mission, the NJ Pathways to Career Opportunities Program, was launched by NJBIA and the state's community colleges in 2022, thanks to funding made available in FY 2022 budget.

The Pathways Program brings together New Jersey's 18 community colleges with other training providers and industry leaders to collaboratively determine not only where there are in-demand jobs and opportunities for growth in the state, but what skills and

credentials are valued by employers to inform the creation of curricula at our education institutions.

Central to the program's mission is furthering the ability of students in New Jersey to enter and exit the higher education system throughout their career. This is important because many of our students will not take the traditional route of attending a two- or four-year institution upon graduating from high school. Many will start and stop their education throughout their career, seeking new credentials or training as their industry demands that they acquire new skills to advance or sustain their position. For these students, it is imperative that a system be in place which ensures that on-ramps and off-ramps make possible their continued progress towards industry-recognized skills, credentials, and degrees.

The Pathways program has already been successful in bringing together partners throughout the state ecosystem to establish new credit and noncredit programs intended to align training with industry needs, as well as new transfer agreements and partnerships which will ensure that students face fewer hurdles when advancing their education at multiple institutions.

As we look more broadly at the higher education ecosystem, there are three components that can enhance the success of the innovative model established by the Pathways Program: effective integration and collaboration of educational and workforce partners, a fresh look at credentialing, and access to funding for all learners.

The Pathways Program demonstrates that there is capacity within our State and successful outcomes within reach when all the necessary stakeholders are engaged. There is ripe opportunity to scale this model to include the entire education/workforce continuum by engaging the K-12 system (both traditional and vocational/technical) and our higher education partners (community college, public and private 4-year colleges, and private career schools), as well as Workforce Investment Boards and One-Stop Centers, and organized labor and their apprenticeships. As demonstrated with the Pathways Program, NJBIA is committed to working with stakeholders to reimagine our education/workforce development pipeline to improve outcomes for learners, educational institutions, employers and the State.

New Jersey can also benefit from a renewed look at the credentialing model. Stakeholders can work to create more fluidity between the credential and degree models, creating formal on-ramps to a degree path and off-ramps to valuable credentials to offer flexibility and maximize access to increased educational opportunities over the course of a learner's lifetime.

New Jersey can also realize a true return on investment by rethinking how the State currently invests in its learners. The productive, contributing members of our state's workforce ecosystem come from all educational backgrounds and pathways and financial support should be made available to all learners, regardless of their elected educational pathway.

TAG, EOF, CCOG and other higher education assistance programs provide a valuable benefit to learners completing degree programs. The State's investment in these programs demonstrates its commitment to educational access. We believe the State can do more to augment its investment in learners by creating additional financial assistance opportunities for learners completing credential or non-credit programs which equip them with a trade or other credential with direct access to gainful employment. Financial barriers exist for learners regardless of the degree and/or credential they seek. The current financial assistance model sends an unintended message that there is a specific type of education worthy of State

investment. Stakeholders should re-evaluate this position and prioritize investments in the education of learners who are seeking the degree and/or credential necessary to enter in-demand fields of industry.

A stronger, fairer New Jersey and its promotion of affordability and access can be realized through this innovative take on engaging all stakeholders within the education/workforce continuum and re-evaluating how we invest in New Jersey's learners and effectively deploy them across the entire workforce spectrum.

NJBIA thanks you all for consideration of our perspective on this matter. Please feel free to email Kyle Sullender, Director of Policy Research at ksullender@njbias.org or Althea Ford, Vice President, Government Affairs at aford@njbias.org if you have questions about our position on this or any piece of legislation.